The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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SATURDAY, APRIL 1, 1933 VOLUME 64, NUMBER 5

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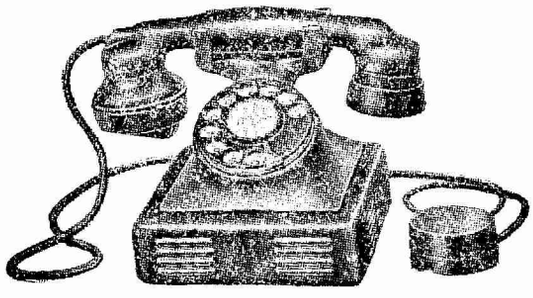

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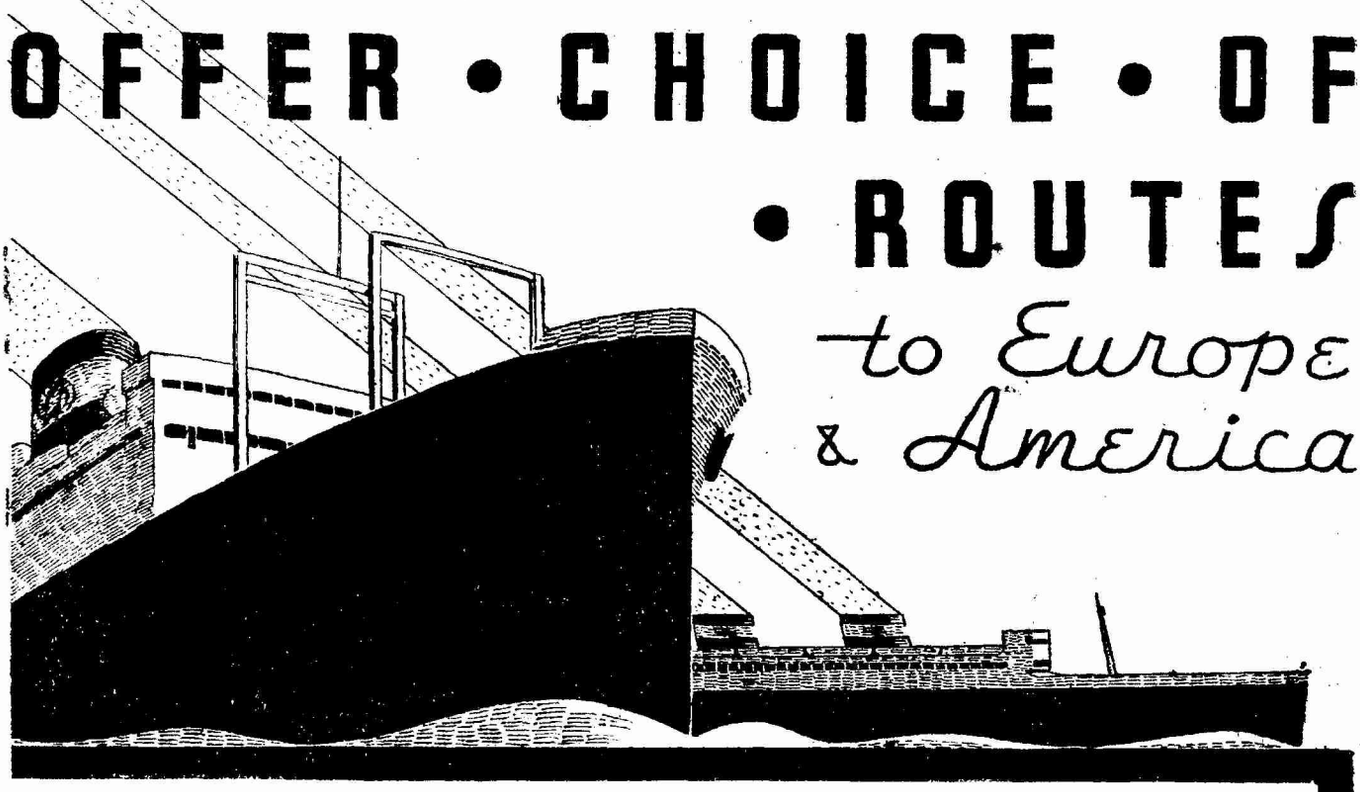

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The China Weekly REVIEW

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中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 64 | Shanghai, China, Saturday, April 1, 1933 | Number 5

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 38 AVENUE EDWARD VII, SHANGHAI, CHINA, TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

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THE CASE OF MR. WANG CHING-WEI VERSUS MARSHAL CHANG

SEVERAL weeks ago, Wang Ching-wei then head of the Executive Yuan, brought serious charges against Marshal Chang Hsueh-liang who at the time was in command of the Government's troops in north China. Politician Wang charged that Militarist Chang was not doing his duty in defending the country against the Japanese. In consequence of the controversy both officials resigned, but since the situation in Jehol was growing critical, the Central Government finally asked Marshal Chang to carry on. As for Wang Ching-wei, he came to Shanghai and after remaining in a hospital for a time departed for Europe for medical treatment. Time passed and the situation in the north became increasingly critical, culminating in the Japanese drive into Jehol. Marshal Chang Hsueh-liang's troops as well as the troops of his subordinate Gen. Tang Yu-lin were defeated and driven from Jehol, in consequence of which Chang resigned and came to Shanghai. Wang Ching-wei, when apprised of the crisis, hurried left his hospital retreat in Europe and returned to China, arriving in Shanghai almost simultaneously with Marshal Chang Hsueh-liang. Mr. Wang then hurried to Nanking for a conference but after inspecting the situation for one day, returned to Shanghai and announced his determination not to resume his old office. Also there was a report he had demanded the arrest and punishment of Marshal Chang, but this was later denied. Finally as a result of earnest effort on the part of various officials, including Gen. Chiang Kai-shek who made a special trip to Nanking, Mr. Wang consented to return to Nanking again and according to latest report was still there. Marshal Chang Hsueh-liang also is still in Shanghai, although there are reports he is contemplating an early trip abroad —also for health purposes!

The scene now reverts back to Peiping, the time being 1931. Two northern militarists, Feng Yu-hsiang and Yen Hsi-shan, had formed a coalition for overthrowing the Central Government at Nanking, the object being to create a new regime—in the ancient former capital at Peiping. Wang Ching-wei, who at that time was an "enemy" of Gen. Chiang Kai-shek chief supporter of the Central Government, finally decided to go north and join the so-called "military coalition against the Central Government." Beset by enemies in both front and rear, Gen. Chiang Kai-

shek then appealed to Marshal Chang Hsueh-liang for assistance, Marshal Chang at that time being in his provincial capitol at Mukden. Marshal Chang responded immediately, moved his army from Manchuria to Peiping, and as a result the coalition against the Central Government collapsed. Wang Ching-wei then went into temporary retirement and Marshal Chang Hsueh-liang went to Nanking to participate in the reorganization of the Central Government which followed its victory over the northern rebels.

Needless to say the Japanese had been watching this domestic civil war with intense interest. They hated the Young Marshal because he had caused Manchuria to discard its "independence" and join the Central Government. Their hatred became more intense when he moved his troops south of the Great Wall to protect the Central Government, which the Japanese militarists had hoped to see overthrown. Taking advantage of the absence of the Young Marshal from his post in Mukden, the Japanese war-lords framed an "incident" and occupied the Manchurian capitol. Whether they would have so moved had Marshal Chang remained in Mukden with his army, cannot be stated at this late date, but the Japanese did move and in the eighteen months which have elapsed since Sept. 18, 1931, they have accomplished the complete occupation of China's four northeastern provinces and worse, have created an independent "puppet" state, their object being to split off this important territory from China permanently.

That China's international complications are more or less directly connected with these seemingly interminable squabbles over the control of the Central Government goes without saying. All of the Powers, including Japan, had solemnly agreed to keep their hands off China and more, had agreed not to take advantage of conditions in China in order to enhance their own positions, but the temptation was too great for the Japanese war-lords. They saw an opportunity to accomplish three major objectives: By intervening in China they could grab a lot of territory, head off a revolution at home in Japan and at the same time squelch a democratic movement on the Continent which was becoming dangerous to the military oligarchy which controlled Japan. The Japanese action in placing the ex-Manchu emperor at the head of the Manchukuo puppet state proves that point and makes it unnecessary to repeat the latest Japanese threat that the Chinese Kuomintang or national people's party must be destroyed.

As a result of these developments, China is now faced with her most serious crisis of a century. If the Japanese action is permitted to stand it means that China's existence as an independent state will be seriously prejudiced; worse, it may mean the ultimate partitioning of the entire nation, a subject which was freely discussed in world capitols not so many decades ago. In the face of this crisis, the seriousness of which is now fully realized by all intelligent thinking Chinese, it would seem that the time has arrived for unity among China's leaders. In other words the time has arrived for a cessation of the squabbles among the Wangs and Changs, the Yens and Fengs, Chiangs and Chens and a pooling of their efforts in the common cause. Had the leaders of the Nationalist Movement in 1927 stuck together and pooled their efforts and energies in the creation of a strong Central Government, the chances are that the Japanese would not have dared to move. But there's no use in crying over spilt mark. The need for unity is now a vital necessity, otherwise all will be lost. China has the sympathy of the entire world; there is a general realization that the Japanese military menace has become more than a mere China menace; it has become a world menace! Leaders in all countries are now giving serious thought to the next step, following the League's recent action, but nothing can be done to help China unless China's leaders have sufficient intelligence and patriotism to get together and put their own house in order!

Japan Formally Withdraws from League

The Privy Council at Tokyo on March 27 approved the notification of Japan's withdrawal from the League of Nations, and immediately afterwards the Japanese Government cabled to Geneva the news of the withdrawal. Japan's notification goes on to assert that the report drawn up by the League of Nations contained errors both of facts and conclusions and that both the report and the recommendations passed by the League Assembly conflicted fundamentally with Japanese views regarding the best means of securing an enduring peace in the Far East. The notification emphasized that the Japanese Government's belief that "the national policy of Japan, which aims at ensuring peace in the Orient and thereby contributing to the cause of world peace, is identical in spirit with the mission of the League of Nations."

An Imperial Rescript issued simultaneously with the publication of the text of the notification of Japan's withdrawal stated that Japan will continue to co-operate with the League of Nations in all attempts to ensure peace, in spite of its secession from the League.

Matsuoka Says Japan Is No Country's Vassal

"Japan is not a vassal state of the United States nor any other nation" Mr. Matsuoka, Japan's delegate to Geneva, on his arrival in New York March 21 said at the beginning of an interview, "and hence is not obligated to explain her activities." He explained that Japan had suffered from a general misunderstanding of the exact situation and also from a lack of sound propaganda. In the early months of the Manchurian activities, the West did not receive a clear explanation of them, he said. He added: "We cannot allow any hostile people to control Manchuria and carry out such intrigues and even warfare against Japan."

Mr. Matsuoka was present at a luncheon party given in his honor by the Japanese Consul General in New York, at which Kent Cooper, of the *Associated Press*, Karl Bickel of the *United Press*, Roy W. Howard of the *Scripps-Howard* newspapers, and others, were present.

In a later statement Mr. Matsuoka stated that the supposed buying power of the 450,000,000 Chinese is a trumped up myth. The great majority of Chinese are poverty-stricken. Japan, on the other hand, he said, buys more American goods than all the rest of Eastern Asia combined.

Japan Not Worried About Commercial Treaty, Mr. Ariyoshi Says

Mr. Ariyoshi, the Japanese Ambassador to China, interviewed at Tokyo upon his arrival there March 27 said that now that the Jehol problem had been solved, the situation as between Japan and China called for the clearest appreciation of actualities, and both countries should take due precaution not to make any hasty gestures, as such might cause irremediable damages.

Questioned regarding the Sino-Japanese tariff treaty, which will expire soon, he said that there was no necessity for Japan to take great pains in trying to prolong its life, as he had been informed by many Japanese merchants that they were not afraid of foreign competition just at present, even if the treaty were to expire.

Anti-Japanese activities had almost entirely disappeared from the Shanghai area, though there were some signs of uneasiness in Hankow, he said.

Three more Japanese warships arrived at Hankow March 27.

Can Japan Keep the Mandated Islands?

DURING 1917 or some three years after the outbreak of the World War, the Japanese Government negotiated a number of secret agreements with its European allies—Britain, France, Italy and Czarist Russia—whereby Japan was granted possession of former German territorial interests in the area of the Pacific. The German possessions included Kiaochow Bay area and Tsingtao as well as the German-constructed Tsingtao-Tsinan railway in Shantung province, but since Japan was compelled to relinquish control of these interests to China at the Washington Arms Conference in 1922, they are only of academic interest today. This statement, however, does not apply to the so-called Mandated Islands in the South Pacific which Japan also seized from Germany shortly after the outbreak of the war in 1914.

In order to understand the present controversy centering around the Mandated Islands, it is necessary briefly to review developments in the western and southern Pacific at the time of the outbreak of war between the Central Powers and the European Allies. First, however, it should be explained what is meant by the Mandated Islands. They include several groups of small islands which extend for 1,200 miles north of the equator and about 2,500 miles from east to west. Generally they lie almost directly east of the Philippines and northeast of the Netherlands East Indies. Some of the islands, notably Pelew is only 500 miles east of the Philippines and others are several thousand miles nearer to Hawaii than Japan. Guam Island, a possession of the United States, lying almost directly east of Manila is almost entirely surrounded by the Japanese mandated islands. Saipan Island, which the Japanese recently were accused of fortifying, is located only a short sailing distance to the northeast of Guam. The Japanese mandate in this area embraces 623 separate islands included in the Mariana (or Ladrone), Marshall and Caroline groups. The actual territory only totals 819 square miles with a population of some 98,000 mostly native south sea islanders. The Japanese population is now said to number 21,000. The chief products are phosphorus ores, cocoanuts and copra. The Japanese budget for the Mandated islands in 1930-1931 was Revenue, Yen 5,242,254; Expenditures, Yen 5,231,246.

But while the islands are of little commercial importance, they are of vast strategic importance to the nation controlling them because they command the sailing route between Hawaii and the Philippines and China. The American-registered Commercial Pacific Cable which connects the United States with the Far East passes through the Mariana group and one of the islands, Yap, is an important cable landing station. It is here that the cables from Shanghai and Japan connect with the main line running from Hawaii to the Philippines. The importance of these islands was demonstrated in the early years of the World War when the Germans used them as coaling stations for raiders. In September, 1914 the cruiser *Emden* coaled at Angaur in the Pelew group, just before her raid into the Indian Ocean. Admiral von Spee likewise coaled at Brown Atoll and Enivetok in the Marshall group. The Germans also had a naval base at Jaluit. Once fortified they would make the successful operation of an American fleet in Far Eastern waters practically impossible. The Japanese possession of these islands, even under a mandate from the League, has made it advisable for the United States to abandon its fortifications at Guam and also had much to do in causing the United States to cut loose from the Philippines, or at least to take steps in that direction.

Japan was granted possession of these islands, along with the former German interests in Shantung, as a result of a series of secret agreements which Japan negotiated with her European allies in 1917 prior to America's entrance into the war on the side of the allies. However, Japan acually occupied the islands, along with Tsingtao and most of Shantung province, shortly after the outbreak of the war, the minor engagement against the German garrison at Tsingtao marking Japan's only actual participation in the war. Japan sent no troops or naval forces to Europe, but as a result of the boom in war materials and shipping, managed to amass considerable wealth out of the struggle.

It is no secret to residents of the Far East who were in this part of the world during the dark days of 1917, prior to America's entrance into the struggle, that Japan was becoming markedly wobbly in her enthusiasm for the allied cause and considerable apprehension existed in allied capitols that Japan was on the point of changing sides. Secret emissaries which the Japanese military and naval authorities had sent to Europe had reported back to Tokyo that there was a possibility that Germany might win. The Japanese then began a vicious press campaign, fostered by the military authorities, against the allies but chiefly against Great Britain. Also, the Japanese were worried about the prospects of America entering the struggle. It is therefore fairly correct to say that the secret agreements under which Britain, France, Italy and Czarist Russia granted to Japan the possession of the former German territories and interests, were negotiated by Japan at the point of a gun. In other words, Japan told her allies that if she was not granted possession of these German interests in the Pacific and Far East, that Japan might be compelled to change sides, or at least stay out of the war. The Allies signed on the dotted line and worse, they neglected to tell President Wilson of the existence of the secret treaties when America decided to enter the struggle. There has been some dispute about this, but President Wilson later declared that he knew nothing about the secret compacts until he went to Europe to participate in the peace discussions.

Had these secret treaties of 1917 been carried out the Japanese contention in behalf of an Asiatic Monroe Doctrine would have been well on the road to consummation sixteen years ago. It was the disturbing knowledge of the import of these secret dealings, conducted so-to-speak behind Uncle Sam's back, when the United States was being pressed to enter the war, that had much to do in causing the U. S. Senate to refuse to ratify the Versailles Treaty or join the League of Nations. The so-called "Shantung Clause" in the

treaty, granting Japan possession of the former German interests, was exploited by President Wilson's political opponents and led to the downfall of the Democratic party in the national election of 1920 resulting in the return of the Republicans to power under the leadership of President Harding. Important domestic issues were also involved, but practically every Republican candidate in the 1920 presidential campaign delivered speeches pertaining to the secret deals which had confirmed Japan in possession of the former German interests. American feeling on this issue was especially embittered due to the realization of the small part which Japan actually had played in the war. This is an important point to be kept in mind since there is a possibility

Raspberry!

—"Daily Record" (Glasgow)

that American feeling on this same issue may again flare up in the event the controversy over the Mandated islands in the Pacific again becomes prominent.

But to revert again to the Versailles Conference and what took place there, we quote the following paragraph from Raymond Leslie Buell's standard book on the Washington Conference (D. Appleton and Company, 1922):

> ".....President Wilson was prompted as much by self-interest as by humanitarianism to demand at Paris that all these secret treaties be swept aside. Defeated in this attempt, he devised the system of mandates which was presumably to overcome the reprehensive policy of annexations to which the Allies had pledged themselves. The League of Nations was to undertake the supervision of the former German colonies as a 'sacred trust of civilization.' The Allies could not annex these islands, but they could accept a 'mandate' over them, bestowed by the League. Three classes of mandates were created, which came to be known as: (1) the Class-A Mandates, territories formerly belonging to the Turkish Empire to be aided by the powers 'until such time as they are able to stand alone;' (2) Class-B Mandates, over peoples, such as in Central Africa, whom the Mandatory must govern 'under conditions which will guarantee freedom of conscience and religion..... the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases, and of military training of the natives for other than police purposes and the defence of territory, and will also secure equal opportunities for the trade and commerce of other members of the League;' (3) Class-C Mandates, over peoples, such as in southwestern Africa and in the 'South Pacific Islands' which, because of the 'sparseness of their population, or their small size, or their remoteness from the centers of civilization, or their geographical contiguity to the territory of the Mandatory' *are to be administered under the laws of the Mandatory as integral portions of its territory.*"

To quote further from Mr. Buell's book, the adoption of the Mandate System forced Japan to give up her hope of annexing the islands of the Pacific. Instead, on May 7, 1919, she was given a Class-C Mandate over them, and on Dec. 17, 1920 the Council of the League announced that the Mandatory shall have full power of administration and legislation over the territory subject to the present mandate as an integral portion of the Empire of Japan, and may apply the laws of the Empire of Japan to the territory, subject to such local modification as circumstances may require. The Mandatory shall promote to the utmost the material and moral well-being and the social progress of the inhabitants of the territory subject to the present Mandate. The most important provision however, was included in the following sentences:

> "The military training of the natives, otherwise than for purposes of internal police and the local defense of the territory, shall be prohibited. Furthermore, no military or naval bases shall be established or fortifications erected in the territory."

There was a further provision that the islands should remain open to the travel or residence of missionaries who were nationals of States that were members of the League, but aside from the fact that Japan could not conscript the natives for military service or erect fortifications the Mandatory was more or less free to govern them as she pleased. It was not long therefore before rumors were in circulation that Japan was secretly fortifying some of the islands and had established a submarine base in the Marshalls where oil-storage tanks had been erected. Japan denied this but the fact that Japan had spent Yen 1,500,000 in fortifying the Bonin Islands, located about 750 miles south of Yokohama, caused skepticism with respect to Japan's intentions elsewhere. Japan's action in closing the door to non-Japanese firms trading in the Mandated islands also caused further skepticism, particularly since Germany always had maintained the Open Door. And finally, the Japanese had refused an American proposal for the internationalization of the island of Yap where the American cable station is located.

As a result of this generally unsatisfactory state of affairs resulting from Japan's mandate over the islands, the matter finally came to a head at the Washington Arms Conference and as a result a new agreement was entered into between Japan and the United States whereby America was granted the right to land and operate the Yap-Guam, or any other cable which it might wish to build in the future on Yap Island and also was given the right to erect and operate a radio station on the island. In return for this the United States officially recognized the Pacific Mandate of Japan and automatically the United States also received such benefits which Japan had granted to other states which were members

of the League. In this manner American missionaries were permitted to operate schools among the natives and American firms, theoretically at least, were permitted to trade in the territory. However, according to report this latter provision was largely nullified by a ruling of the Japanese Navy that no non-Japanese firm could trade in the islands without a permit—which practically was impossible to obtain. The compromise reached at the Washington Conference was the best deal possible but generally was regarded as unsatisfactory in the light of the respective efforts which the two nations, Japan and the United States, had exerted in the World War. Furthermore, the fact remained and still remains, that if war should break out between Japan and America, Japan undoubtedly would use the Mandated islands as a basis of attack on Hawaii or the U. S. Pacific Coast.

The agreement at the Washington Arms Conference pertaining to fortified areas in the Western Pacific also had an important bearing on Japan's position in the Mandated Islands. In exchange for Japan's agreement to the limitation of certain classes of warships and naval guns, and also on questions pertaining to China, the United States and Great Britain agreed to discontinue work on their fortified areas in the Western Pacific. Specifically the United States agreed to discontinue work on the fortifications at Guam Island and also agreed not to further strengthen the fortifications in the Philippines. The British made a similar agreement with respect to their base at Hongkong. The general result of this was to weaken the naval positions of both America and Great Britain in this area and at the same time strengthen Japan's position. In one of Secretary Stimson's recent declarations pertaining to Japan's violation of the Nine-Power Treaty, he called attention to the fact that America's agreement not to develop her fortifications at Guam and Corregidor had been made upon Japan's definite promise to observe the treaties pertaining to the preservation of China's territorial and administrative integrity and the faithful observance of the Open Door.

QUESTION BECOMES PROMINENT AGAIN

The question of Japan's control over the Mandated Islands has again become prominent as a direct result of Japan's withdrawal from the League, officially announced at Tokyo on March 27. There is special interest in this question in China because the linking of the Pacific Mandate issue with the Manchurian problem will make it all the more necessary for the United States as well as the League to pay close regard to future developments. News reports from various world capitals as well as Geneva in recent days indicate that the Mandate issue has almost superseded the Manchurian problem in public interest. There is sound reason for this for while certain elements in various European countries as well as America were inclined to condone Japan's activities in Manchuria, they cannot close their eyes to Japan's outright annexation and deliberate fortification of the Pacific islands. This statement applies particularly to the British self-governing dominions, Canada, Australia and New Zealand, and also to other European nations having colonial possessions in the Pacific area such as France in Indo-China, Netherlands in the East Indies and America in Hawaii and the Philippines. It was apprehension in Canada, Australia and New Zealand over the Anglo-Japanese Alliance which the Japanese were using as a cloak to cover her aggressions in Asia, that caused the British Government to finally decide to abrogate that compact, and create in its place the so-called Treaty between the United States, Great Britain, France and Japan pertaining to their insular possessions and insular dominions in the region of the Pacific Ocean. It is therefore quite logical to expect that the controversy over the Mandated Islands issue, which concerns the vital interests of all of the Pacific Powers, will finally cause these Powers to give serious heed to the drift of affairs and ultimately will compel the United States, willingly or unwillingly to intervene and call another conference of the Pacific Powers somewhat along the lines followed at the Washington Conference in 1921-1922.

Since Japan's withdrawal from the League has just been announced, the discussions pertaining to Japan's control of the Mandated Islands still is in the "legalistic" stage, meaning that experts in the various countries have only begun to examine the issue. Of interest in this connection was the announcement from Berlin that the new Hitler Government is concerned with the issue and may make a formal demand at Geneva that the islands be returned to their original owners. The *New York Times* recently published a despatch from its London correspondent quoting British officialdom as strongly opposed to Japan's control or annexation of the islands following her withdrawal from the League. The despatch declared, "Japan's contention that its threatened resignation from the League of Nations would not affect its possession of the mandated Pacific islands north of the Equator is considered in London as untenable." It was stated further that "should the question ever arise Britain would certainly consider the wishes of the dominions. There is no question that Australia and New Zealand, with their mandated islands south of the equator, would feel that if Japan continued to hold its islands, regardless of world opinion and without any supervision by the League, it would be a menace." Finally the despatch stated that British officialdom did not regard Japan's recent agruments on the issue as valid. A long *United Press* despatch from Washington dated March 22 dealing with the same issue suggested the possibility that the United States shortly would lodge a "vigorous protest" again Japan's asserted right to hold the Mandated Islands in the South Seas after her withdrawal from the League. Officials of the Department of State were quoted as declaring that the United States "has at all times insisted upon the right to share in the disposition of all former German colonies by virtue of the joint victory of the Allied armies in the World War." It was stated that the United States was prepared to act in harmony with the League and also individually because the matter of the Mandated Island was first announced by the late President Wilson, speaking in behalf of the Allies six days prior to the Armistice, invited the Germans to lay down their arms on certain stated conditions, which were contained in the Wilson Fourteen Points, Point V of which referred to the agreement of the Allies to adjust all colonial claims with an open mind.

From this point the arguments from all quarters have become exceedingly technical, it being maintained in Washington and London as well as Geneva that the League was regarded as the "distributing agent" for the former German possessions. Japan, on the other hand, has maintained that her navy occupied the islands shortly following the outbreak of the war and later entered into various agreements (secret) whereby her right of possession was conceded by the various Allied Powers. The *United Press* despatch from Washington, referred to in the foregoing paragraph, stated that Cordell Hull, Secretary of State, recognized the League as the distributing agents for the German colonies but called attention to the fact that the United States had approved of the mandate to Japan, although approval was withheld until the Washington Conference in 1922 at which time the United States accepted Japan's position as mandatory. It was also pointed out that the American-Japanese treaty (pertaining to cable stations on Yap Island) signed in 1922, expressly stated that there should be no modification of the mandate unless approval was given by the United States. Furthermore it was shown that in 1921, Bainbridge Colby, then Secretary of State had declared that the United States had an equal concern and an inseparable interest, as well as an equal voice, in the disposition of Germany's overseas possessions. Hence, the conditions of America's acceptance of the mandate to Japan "was conditional, especially as relating to fortifications and should Japan withdraw from the League and thereafter fortify any of the mandated islands, the treaty stipulations would be violated."

Actually it is the height of euphemism to dwell further on "legalities" when considering Japan's present activities in Asia. Japan has long passed the stage where she is concerned with either the legalities or moralities of her position. The Japanese naval authorities recently were quoted in the Tokyo *Nichi-Nichi* as declaring,

> "First, the time has come when the settlement of the Manchurian problem will be sought in the Pacific. The Navy, therefore, realizes that it is called to stand in the front line.
>
> "Second, although the Navy believes that the Japanese mandate over the South Sea Islands will remain intact despite Japan's withdrawal from the League, the Navy considers it indispensable that it make preparations to retain the islands in case the League or any combination of Powers attempts to dispossess Japan by force.
>
> "Third, since disturbance may spread to northern China, the Navy must be prepared to cooperate with the Army for protection of the lives and property of Japanese residents in China.
>
> "Fourth, in case the Chinese resort to an anti-Japanese boycott at Shanghai, Canton, or elsewhere, the Navy must adopt protection measures for protection of Japanese residents.
>
> "Fifth, the Navy does not seriously anticipate that an economic blockade against Japan will be resorted to by the Powers, but the Navy can not leave anything undone in preparation for protection of the national life by maintenance of freedom of navigation."

To further emphasize their determination to use forceful means in the settlement of the Mandate issue as they have done in respect to the Manchurian question, the Japanese Government has announced its intention of holding its forthcoming grand naval maneuvers in the area embraced by the Mandated Islands. The Maneuvers are scheduled for August of this year and according to a *Rengo* despatch from Tokyo on March 24, they are to be conducted under the personal command of the Emperor.

Since Japan has definitely defied the Powers on this issue as well as on the Manchurian question and has announced in brief that she is prepared to defend her position by force of arms, the United States either individually or in cooperation with the other Powers represented in the League, finally will be compelled to accept the challenge on that basis. Before America joined in the World War and afterward until its conclusion, President Wilson and the other American leaders realized the vicious struggle going on among the Allies underneath the surface for the spoils of war represented in Germany's former territorial possessions. The United States desired none of these colonies, but since, this struggle promised at any time to break out into an open clash thus nullifying the announced object of the Allies in prosecuting the war, President Wilson and his associates designed the so-called "Mandate System" which along with the League was intended to create a new era in the relations of nations. The object of the League was to create a new deal among civilized nations and it in turn was to undertake the supervision of the former German colonies as a "sacred trust of civilization." But while President Wilson had the support of enlightened public opinion throughout the world, he was up against the realities of the war as exemplified in the secret treaties, intrigue and scramble for territories and resources which constituted the real underlying object of the struggle. The mandate plan was adopted, but each nation kept what it had, although compelled to give assent to the League's regulations. However, the system has worked fairly successfully among the more enlightened nations of Europe and at least one nation, Great Britain, has permitted one of its mandated territories to graduate into full nationhood and become a member of the League. The administration of mandated territories in Africa also has shown more evidence of humanitarianism than previously was the case in the governing of colonial dependencies in that continent.

Whether Japan was influenced by these sentiments cannot be stated. The 1930 issue of the Japan Year Book contained the following paragraph under the heading of "Japan's International Diplomacy,"

> "The effect of Japan's participation in the World War is far more significant in its moral influence than in its material advantages. As a result of her prudent and dignified attitude and activities at the peace conference as one of the five principal Allied and Associated Powers, her international position has been so greatly enhanced that she has now attained full recognition as a World Power in dealing with not only Oriental questions but also purely European or American Affairs.

Obviously this paragraph could not have been written by anyone who has been associated with the direction of Japanese affairs since the Imperial Army seized the helm in September, 1931. Since that time it has been another and uglier side of Japan which has shown itself to the world, a side characterized by a statement of a high military officer several months ago who declared that the world owed Japan a debt of gratitude for demonstrating that the League Covenant, Nine-Power Treaty, Kellogg Anti-War Pact and other

idealistic conceptions of international politics were impractical and unworkable because they conflicted with the 'realities' of the situation in the Far East. As stated in the foregoing, if Japan, or at least the military clique now in control of the administration of that country's affairs, insist upon reducing matters in the Far East and Pacific area to stern realities, the other nations ultimately will be compelled to accept the challenge and that will mean another armament race which can have but one result so far as Japan is concerned —complete destruction.

Nineteen Legations in China---Nine Have Moved to Shanghai

THE present line-up of the foreign legations in China with respect to the places of residence of the ministers is approximately as follows:

(In Shanghai)	*(In Peiping)*
Chile	America
Cuba	Belgium
Czechoslovakia	Brazil
Finland	Denmark
Italy	France
Japan	Germany
Norway	Great Britain
Portugal	Netherlands
U. S. S. R.	Spain
	Sweden

Sir John Simon, British Foreign Secretary, in reply to a question in the British House of Commons on March 22, declared that the British Government "was giving constant and careful consideration to the best means of maintaining contact between Sir Miles Lampson, British Minister and the Chinese Government." Commander A. Marsden, a Conservative member of Parliament, had suggested that the British Minister should remove his headquarters from Peiping to Nanking. Sir John Simon said he did not see sufficient ground at present to alter the existing arrangement. Since this is the second or third time this question has been raised in the British Parliament and one prominent Briton, Lionel Curtis, has written a book on the subject, it is presumed the British Government ultimately will give the matter serious consideration. One wonders what would happen if (or when) the Imperial Japanese Army should decide to air-bomb Peiping and then annex that territory to Manchukuo? Would the foreign Ministers continue to reside in Peiping and after they had emerged from their dug-outs and bomb-shelters, don their official regalia and hurry over to the Imperial Palace in order to kotow to His Excellency, Henry Pu-Yi, re-installed on the Dragon Throne by the Japanese Army?

The Chinese National Government has had its official headquarters in the new national capitol at Nanking for six years, but despite all its pleas and supplications, ten foreign nations still regard the former capital at Peiping as the place of official residence despite the fact it is located some six hundred miles from the actual capital of the country. Recently when it was necessary for the Chinese Foreign Minister, Dr. Lo Wen-kan, to confer with the Powers' official representatives on the matter of the Japanese invasion of Jehol, it was necessary for him to make the trip to Peiping for that purpose. His chief object, of course, was to confer with Gen. Chiang Kai-shek, commander-in-chief of the Chinese forces at Paotingfu, but he had to make the trip to Peiping to see the foreign ministers. Imagine Cordell Hull, American Secretary of State being compelled to travel from Washington to Chicago or even to New York, in order to interview foreign ambassadors who insisted upon maintaining their official residences at a city located 600 miles from the American capital! It would be difficult for Americans to imagine such a situation but this is exactly what exists in China, despite strong effort not only in China but abroad to induce the official representatives of the Powers to remove to Nanking, or at least to Shanghai, which is in close proximity to the National Capital of the country.

We are not going into all the alleged reasons why the foreign representatives insist upon living in Peiping, but Lionel Curtis rather let the cat out of the bag in his book, "The Capital Question," when he said that the foreign diplomats disliked to hob-nob with the foreign merchants at Shanghai who are accustomed to discussing such subjects as cotton-goods imports, hide and skin exports and similar matters at dinner parties. Much rather would the diplomats reside in their palatial quarters at Peiping where recreational opportunities abound and where it is possible to slip away to a temple or villa in the mountains or a bungalow on the sea-shore in the hot season. Another reason is that in Peiping the diplomats and their secretaries and clerks and families reside in the so-called Legation Quarter, a sort of imperium in imperio where nothing ever disturbs the atmosphere unless some third secretary of one legation becomes involved in a scandal with the wife of an attache of another foreign nation. As a matter of fact these "social" affairs constitute a chief interest of Legation Circles, if one would believe the numerous novels and books written on the subject. Last year the wife of an attache of one of the legations won a G.$10,000 prize offered by an American magazine for such a book. If the Foreign Ministers resided in Nanking, the absence of such social opportunities would doubtless be a serious handicap to the secretaries and attaches. And if they had to live in Shanghai—horrors! They might have to live alongside some Chinese compradore interested in the pig-iron business, or some foreign merchant whose knowledge of high international diplomacy might be most meager, but whose knowledge of China's requirements in galvanized iron sheets was quite thorough. Foreign diplomats don't like to talk about piece-goods, hide and skins, pig-iron or galvanized sheets at their dinner parties—these subjects being reserved for the commercial attaches and consular officials who do reside in Shanghai, the heart and center of China's business, finance and foreign commerce.

While this subject of removing the legations from Peiping to the Yangtsze Valley has hung fire for six years, the fun really will begin when the Soviet Ambassador, Dmitri Bogomolov,

arrives on the scene. He is scheduled to arrive in Shanghai shortly and according to report will not go to Peiping at all. Soviet representatives already have been in Nanking looking for an official residence and in the meantime the Ambassador probably will reside in the old Soviet Consulate-General in Shanghai. The official representatives of the U. S. S. R. have proved in their contact with other Oriental states such as Turkey and Persia that they have a knack at getting to the center of things in a manner disconcerting to the diplomats of other nations. As a matter of fact Mr. Karakhan, the previous Soviet Ambassador to China, rather overdid the job and got into complications. But this time the Soviets apparently are more interested in trade, hence their Ambassador probably will spend much of his time in Shanghai where imports and exports are more important than high diplomacy, pink-teas, or the latest gossip about what happened at Mr. So-and-so's temple in the Western Hills last Saturday night. Perhaps if Mr. Bogomolov puts over some first class trade monopoly agreements highly detrimental to Manchester or Birmingham, Sir John Simon and some other foreign secretaries as well, will think the time has arrived for maintaining closer contact with the real political and commercial centers of China!

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General Chiang at Nanking Urges Formulation of Policy

General Chiang Kai-shek came back to Nanking during the week after having for about a fortnight made his temporary headquarters at Paotingfu, with an incidental visit to Peiping March 25. Immediately on his arrival in the old capital General Chiang held a conference there with Generals Yung Chen, Pao Wen-yueh, Wan Fu-lin, Wang Shu-chang and other members of the Peiping branch of the Military Affairs Commission. He also had an interview with General Ho Chu-kuo, Commander of the North-eastern forces at the Lwan Ho front.

Immediately upon his arrival in Nanking Genera Chiang set himself to the task of inducing the Nationa Government to adopt a definite policy towards Japan and incidentally to take up the matter of the future of Wang Ching-wei. A *Kuo Min* message from the capital March 27 stated that as a result of the further persuasions of General Chaing Kai-shek, Presidents Sun Fo, Tai Chi-tao and other Government leaders, Wang Ching-wei had agreed to reconsider his refusal to resume the Presidency of the Executive Yuan. The matter will come up for discussion at the next meeting of the Standing Committee of the C.E.C., when, it is expected, a formal resolution instructing Mr. Wang to resume his duties will be passed.

A detailed statement of military operations in the north was made by General Chiang at a conference of Government leaders held at Central Party Headquarters in Nanking March 27. The conference was attended by more than thirty high officials, including Wang Ching-wei, Sun Fo, Tai Chi-tao, Chu Cheng, General Chu Pei-te, Admiral Chen Shao-kuan, Minister Chen Kung-po, General Li Lien-chun, Messrs. Yeh Chu-tsang, Ho Yao-tsu and Chen Shu-jen. T. V. Soong, Minister of Finance, proceeded to the Capital by train from Shanghai in response to a summons from General Chiang Kai-shek. Wang Ching-wei was also present at the conference.

Wang Ching-wei Resumes Office

Cheng Kung-po, Minister of Industry, stated in Nanking March 28 that Wang Ching-wei has agreed to withdraw his resignation and resume his duties as President of the Executive Yuan. Mr. Wang formally resumed office March 29.

In an interview Mr. Wang declared that as the result of the conferences he had had in the past few days with General Chiang Kai-shek, concrete measures had been decided upon regarding military and political affairs. As regards the Sino-Japanese situation, he announced that the Chinese Government would adhere to its original policy of resistance.

Feng Yu-hsiang Makes Proposal to Chiang Kai-shek

Marshal Feng Yu-hsiang in a recent letter to General Chiang Kai-shek emphasized the necessity of co-operation amongst Government leaders, and after explaining his past misunderstandings with General Chiang, advanced five proposals as follows:—

1.—That General Chiang Kai-shek should take immediate action to dispel the rumors now prevalent in North China about a possible compromise between China and Japan.

2.—That picked troops should be concentrated in North China to launch an attack against the Japanese forces from all directions instead of waiting to be attacked, and resistance should be made national instead of local. General Chiang Kai-shek should personally lead an army of 100,000 men to counter-attack Manchuria and Marshal Feng promises to give all possible help to the Generalissimo's worthy enterprise.

3.—That the troops now fighting at the front must be reinforced immediately.

4.—That pensions should be given to the families of the soldiers and Volunteers who died whilst fighting against the Japanese.

5.—That the Government should be reorganized in such a way as to meet the real demands of the people.

Chinese Continue to Resist at Kupeikow

Skirmishes occurred between the Chinese and Japanese sentries at the Kupeikow front March 25, to which place the Japanese have despatched one additional brigade.

Despite the combined attacks of land and air forces, the Japanese troops continue to meet strong resistance from Chinese forces in the vicinity of Kupeikow and Hsifengkow, according to recent Japanese reports.

According to Tokyo press reports Manchukuo troops, after minor skirmishes, occupied Shihmechai, west of Chumenkow March 24.

A Chinese message from Peiping March 27 stated that the Chinese troops at Chiehlingkow have occupied the Tsaichiakow-Lungchuanshih-Laocheng sector and are now facing the Japanese invaders. Both the Chinese and Japanese are stated to be increasing their forces at the Kupeikow front.

19th Route Army on Way to Kwangtung

Two divisions of the 19th Route Army under the command of Generals Chang Yen and Tan Chi-hsiu arrived on the Kwangtung border from Fukien end of last week. These troops are being concentrated in northern Kwangtung awaiting orders to depart to North China.

In response to an appeal from the Kwangsi Army Commander, General Pai Chung-hsi, General Chen Chi-tang, commander of the Cantonese forces, has ordered the Cantonese Army Headquarters to appropriate a sum of $100,000 to General Pai and a certain amount of ammunition.

Japanese May Attack Kalgan

A Chinese report at Peiping March 27 stated that the Japanese military authorities are planning to make an attack on Kalgan, in order to cut off the communication on the Kalgan-Urga highway.

Inadequate Military Hospitals at Tungchow

A recent telegram from Tungchow stated that the military hospitals are in a miserable state. Before the Jehol War started, the military authorities, believing that the Chinese troops could hold on for some time, prepared an up-to-date military hospital at Chengteh capable of accommodating several thousand men, but before it could be used General Tang Yu-lin fled and the city was lost to the Japanese. The nurses at Tungchow are mainly boy and girl students of different schools.

More than 8,000 wounded soldiers mostly from the Hsifengkow area, have so crowded the hospital facilities at Peiping that General Ho Ying-chin has ordered his staff to establish temporary quarters and hospitals for them in Paoting and Shuntieh.

Gen. Ho Ying-chin Says Japanese Will Be Resisted

Rumors of an alleged Sino-Japanese understanding vis-a-vis the situation in north China were emphatically denied by General Ho Ying-chin, Minister of War and Acting Chairman of the Peiping Branch of the Military Affairs Commission, in the course of a interview at Peiping March 23. General Ho declared that it is the settled policy of the Government to resist the Japanese and that it is the duty of the entire nation to rally to the support of the Government in implementing this policy. Whatever may be the next objective of Japanese aggression, the

Government forces will resist any such attack with all their might, he said.

Chinese in America Contribute Liberally to Anti-Japanese Funds

It was announced in Nanking March 24 that Chinese residents in America have contributed nearly a quarter of a million gold dollars within recent months to the Chinese volunteer forces now fighting in Manchuria against the Japanese.

Dr. Lo Chia-lun, President of the Central National University at Nanking announces that a sum to purchase one hundred thousand rounds of ammunition has been subscribed by the faculty, students and staff of the Central National University.

Canton's Proposed Expedition to the North

The *China Times* (Shanghai Chinese daily newspaper) in a recent editorial stated with reference to the much-talk-of Cantonese expedition to the North, that General Chen Chi-tang had done nothing towards organizing the expeditionary army and that he was simply using propaganda to that end as a means to solicit the co-operation of the other provinces in order to threaten the Central Government. The so-called "south-western bloc" is a farce, the paper said.

This comment was based on reiterated statements from Canton that an expedition would be sent from Kwangtung to fight the Japanese in North China. It was however mentioned that after concentration at Shiukuan, the troops of the three provinces (Kuangtung, Kuangsi and Fukien) will proceed north-ward through separate routes, meeting in the Wuhan area. The Kwangtung forces are to march into Hupeh via Liling and Changsha (Hunan), along the Wuchang-Changsha railway. General Tsai Ting-kai, who is at present in Changchow (Fukien), is to command the Expeditionary Army.

Tang's Palace Confiscated

General Tang Yu-lin's palace in Peiping has been officially confiscated by the Government and is being used as a field hospital for those injured in the recent fighting in Jehol. Unconfirmed reports from Peiping stated that General Tang had been located in the Jehol province early this week, and allegedly taken under arrest to Peiping by Gen. Sung Tien-ying's troops.

Large number of General Tang's troops, and some 20,000, or 30,000 members of the Self-Defence Army, after withdrawing from Jehol, have concentrated at Dolonor.

Military Experts to Investigate Jehol Debacle

General Hsiung Pin, Director of the General Affairs Department of the Ministry of War, preceeded from Nanking to Peiping March 26 and reported on military affairs to Minister Ho Ying-chin.

General Fang Pen-jen, member of the Military Advisory Council, and Shao Hung-chi, member of the Control Yuan, who have been appointed by the Government to investigate circumstances leading to the abandonment of Chengte, provincial capital of Jehol, by General Tang Yu-lin, Chairman of the Jehol Previncial Government, proceeded to Peiping from Nanking at the same time.

Upon their arrival at Peiping, the two deputies conferred with General Ho Ying-chin, and then went on to Hsifengkow and Fengning, south-western Jehol, to investigate the situation.

Will Japan Use Further Force?

A Tokyo Foreign Office spokesman recently was quoted as stating that Japan may be compelled to use further force to stop the Chinese boycott of Japanese goods. He added that Japan expects nothing from China until their controversies are settled by direct negotiations.

A later *Reuter* message from Tokyo said nothing was known there of any responsible spokesman commenting on the Chinese boycott of Japanese goods.

A recrudescence of anti-Japanese activities in north China and in the Yangtze Valley is recorded. Murders, kidnapping, and threats, have all but put a stop to Japanese business in Hankow, Chinese merchants and compradores being afraid of any sort of dealings. "Low grade" (Japanese) goods confiscated by the National Salvation Association in Canton are being sent to hospitals for the use of poor patients.

Dr. Wellington Koo, Chinese delegate at Geneva, recently sent a communication to the Secretary alleging that the Japanese are preparing to attack Tientsin and other parts of North China with a view to breaking Chinese resistance along the Great Wall from the rear. Reports of the discovery of the body of a Japanese artillery officer with a map tracing the future boundaries of Manchukuo including Peiping, Tientsin and Tsinan, were included in Dr. Koo's communication.

Numerous paragraphs in the Chinese newspapers indicate that the Chinese fear an impending blockade of the principal ports by the Japanese Navy.

CHINA'S TROUBLES

"NOW DON'T YOU WORRY, WE'RE ALL FOR YOU!"
CHINA
LEAGUE OF NATIONS
NOW THAT CHINA HAS WON OUT AT GENEVA-
-THERE'S NOTHING TO WORRY ABOUT EXCEPT JAPANESE BULLETS.

Soviets Will Try British Engineers During April

The case of the four British subjects who were arrested in Russia on charges of sabotage, in particular that, as employees of the Metro-Vickers concern, they had conspired to injure the hydro-electric installation on the Dnieper River with chemicals and sand, as it stands at present, is that three of the accused have been released on bail, but that bail for one of them has been refused, ostensibly on the ground that a document forwarded from England had (in the opinion of the Soviets) contained expressions of opinion regarding the innocence of the accused. The Soviet newspapers stress the point that British subjects in Russia are subject to Soviet law.

The Soviet press in scathing editorials on the British attitude regarding the Metro-Vickers engineers recalls that the British authorities shot Baku Bolsheviks on the territory of the Soviet Republic, without even the semblance of a trial or investigation, on September 20, 1918.

A Danish newspaper calls attention to the fact that the machinery involved in the dispute formed part of the cargo of the British steamer *Essex Friar*, which, laden with chemicals and machinery while on her way to Leningrad, went aground in Danish waters. For eight days the holds of the steamer where the machines were stored, were filled with water and, whereas this would normally not have caused damage to the machines, it is now suggested that the chemicals aboard may have spoiled the bearings of the machines without this damage becoming visible. This would explain in a natural fashion this astounding case and may exculpate the accused Vickers engineers. However, the question of who has to bear the loss involved still remains.

It is announced from Moscow that the trial of the four British engineers will take place during April.

Ex-Governor of Philippines Warns Against Independence Perils

A report by former Governor General Roosevelt of the Philippine Islands, recently published, warns the Filipinos against the "peril to the Islands of cutting loose from the United States." Despatches from Washington recently stated that the efforts of Filipino representatives in the United States to secure the passage of a bill giving better conditions to the Philippines looking toward eventual independence would not likely meet with success as Congress was too busy with internal matters at present to give consideration to such a matter.

In the course of his report the ex-Governor praised the Philippine Government for reducing its expenses and, in spite of the world-wide economic crisis, converting a threatened deficit of large proportions into a surplus.

Communism Threatens Japanese Gold Mining Island

Sado Island, a small gold mining center off the northern Japan Sea has also been threatened with Communism, according to the Japanese police. Principal in the plot according to the *Tokyo Asahi*, was a Buddhist priest, who cloaked his activities under the name of an organization ostensibly for the purpose of opposing existing forms of religion. In this he was ably assisted by his young sister, who left the Awa Higher Girls School without completing her course to join in converting the young men and women of the island to Bolshevism. The police have made various arrests with a view to stemming the Bolshevist tide.

I. T. & T. Balance Sheet Shows Reduced Earnings

The consolidated balance sheet of the International Telephone & Telegraph Corporation and Associated companies (holding Company for the Shanghai Telephone Co.) as of December 31, 1932, shows gross earnings of G$67,382,690.84 as compared with G$87,525.41 for the year 1931. Operating expenses were G$60,064,505.26 as compared with G$69,433,847.56 for 1931, which resulted in net earnings of G$7,318,185.58 as compared with G$18,409,-677.85 the previous year.

The Company has experienced complications in various foreign countries due to exchange restrictions in one form or other and according to the report had on deposit abroad G.$3,582,893.95, but despite governmental restrictions against foreign remittances was able to make sufficient remittances for interest payments and other requirements of the parent company.

Foreign Chambers of Commerce Oppose Chinese Customs Marking Regulations

Foreign Chambers of Commerce in China are protesting against recent amplification of regulations issued by the Chinese Maritime Customs calling for the marking of imported goods with Chinese characters showing the country of origin. Not only must the cases be marked, but there are many pages of amplifications showing how the contents are to be stamped or painted so as to show the country of manufacture in an unmistakable manner. In the case of piece goods, for example, it is provided that marks are to be either woven into the selvedge, or stamped or printed on the selvedge or stamped or printed on labels securely attached to each end of the roll; moulding of same into automobile tyres is also stipulated.

Regulations requiring the country of origin of imported articles to be shown are imposed by the United States and many other countries, but none are so drastic as those which the Chinese Customs proposes to invoke. The objection of foreign importers is not to the regulations in general, but to the nature of some of them, for example the two above quoted.

Chinese Educational Mission Visits Soviet Russia

A delegation of Chinese educationalists appointed by the Chinese Ministry of Education, which have been making a tour of Europe, arrived in Russia several weeks ago. At the head of the party is Cheng Chi-pao, director of the College of Education at Nanking. A recent *Tass* telegram from Moscow stated that this Chinese educational group was highly impressed with the progress made by the Soviets in the elimination of illiteracy, the connection of schools with industry, the energy and enthusiasm of Soviet pedagogues, and the equality of women.

Japanese Government to Give Special Training to Emigrants

With a view to raising the standard of Japanese immigrants to the South Seas, Manchuria, South America and other quarters, the Japanese Ministry of Education has been given an appropriation amounting to Yen 36,000 to educate young aspirants desiring to go abroad as immigrants. It is planned that 300 youths, who are vigorous in health and capable of pursuing agricultural occupations, will be picked out from among the agricultural population and they are to be given proper education in five agricultural institutes in different parts of the country prior to being sent abroad as immigrants.

Soviet Russia Wants Peace with Japan

The newly-appointed Soviet Ambassador to Japan, Constantin Yurenev, issued a statement in Tokyo March 25 to the effect friendly relations between Japan and Soviet Russia are a guarantee of peace not only in the Far East but in the world at large. Soviet Russia's neutrality and non-interference in the Manchurian problem, together with her proposal for a non-aggression pact, demonstrates her peaceful and friendly policy towards Japan, he said.

Japan Continues to Press for Direct Parleys with China

The Japanese Ministry of Foreign Affairs still pins its hopes on China agreeing to direct negotiations regarding the Manchurian dispute and other matters at issue between the two governments, a recent Tokyo telegram stated. A spokesman for the Foreign Office said that Japan would like to discuss matters pertaining to the Chinese boycott and those relating to the customs. It was admitted, however, that reports from Japanese sources in China gave little encouragement to the plan.

Opium Monopoly Organ Is Ordered Abolished

The Executive Yuan, in an order to the Kiangsu Provincial Government, March 26, ordered the abolition of the Kiangsu Narcotics Inspection Office. This action is taken in response to a petition from the National Opium-Suppression Commission which has confirmed reports from various public bodies complaining that the office was in reality an opium monopoly organ.

Eugene Chen Discusses American Rights and Obligations in the Sino-Japanese Conflict

Eugene Chen, former minister of foreign affairs at Nanking, in an interview at Shanghai March 27 presented the case against the opening of direct negotiations with Japan on the Manchurian issue as follows:—

"China is summoned to face 'realities' by those who favor direct negotiations for the settlement of the conflict created by Japan in Manchuria. One of the brutal 'realities' of the situation is Japan's determination that direct negotiations must be based on Chinese recognition of Manchukuo. It is clear that direct negotiations initiated on this basis (the Japanese militarist mind is known to be inexorable on this crucial point) would be tantamount to abject surrender on the part of China and necessarily, would involve the legalization of Japan's deeds of violence on Chinese soil as well as a base desertion of the League of Nations and of America. I take it that no Chinese can assent to this act of infamy and the same must be true of foreigners who accept the Manchurian resolution of the League of Nations and read it as an arraignment of Japan on an issue that is vitally related to the very foundation of the system of nations. Those who turn to direct negotiations with Japan presumably envisage China as France was envisaged after Sedan. I reject the analogy. A deeper knowledge of European history and of the political and economic forces in operation in the Far East would suggest that the real parallel lies between Japan and France on the eve of Napoleon's retreat from Moscow."

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(The following statement was issued by Engeve Chen, March 26)

WITH the failure of the League of Nations to resolve the conflict created by the Japanese aggression in China, the time has come to center attention on the role which historic circumstance assigns America. Willing or unwilling, America is bound to take a leading part in the task of preventing Japan from breaking up, by military violence, the international system of the Far East which rests, in part, on essentially American foundations in the shape of the doctrine of the Open Door (formulated and inserted by American statesmanship into the political thought of the Great Powers), the Nine-Power Treaty and the Kellogg or Peace Pact, two authentic American documents in the sense that they were conceived mainly by the political mind of America.

2. The reasons dictating American intervention in the Sino-Japanese conflict may be grouped under (1) strategic considerations, (2) juristic considerations, (3) economic considerations, and (4) international considerations.

3. The *strategic considerations* arise out of the Manchuria thesis of Japan. Manchuria is said to be a matter of "life or death" to Japan for three reasons: as a source of raw materials, as a barrier to Soviet Russia, and as a home for Japan's surplus population. To the first, the Chinese reply is that Japan can obtain all the raw materials required in Manchuria by buying them in the ordinary course of international trading, just as America and other countries now do when raw materials from abroad are needed.

4. Japan's pretended fear of Soviet Russia is hardly serious in view of the actual course of Soviet policy in Manchuria. Ever since its declarations in 1919 and 1920, Soviet Russia has repudiated not only in words but in deeds the Tsardom's policy of territorial aggression in Manchuria. And the present writer is in a position to state that had the leadership of the Kuomintang Revolution not fatally faltered in 1927, the retrocession to China of all Russian rights and interests in Northern Manchuria would have been an accomplished fact to-day. And it is not at all idle to speculate or suggest that the same thing might have come to pass if South Manchuria had escaped the grip of Japan in 1905 and remained under the loose hands of a dying Tsardom then on the eve of its last decade of life.

5. As regards a Japanese "home" in Manchuria, it population to settle in Manchuria have failed. There is notorious that all attempts to induce Japan's surplus appears to be something in the physical or psychical make-up of the Japanese (who are an island race) which disables them from settling permanently in a continental region like Manchuria, away from the sea. There might be parts of China where the Japanese could live and thrive, particularly in the maritime provinces of Shantung, Kiangsu and Chekiang. But these provinces are all over-crowded. There are, however, desirable "vineyards" elsewhere—in the western seaboard of America and Canada and in the "empty spaces" of the Australias —which the Japanese can colonize. Into these "White men's" lands, the Japanese may not enter as long as the Pacific is not dominated by Japanese naval power; and *to achieve this naval domination, American naval power must first disappear from the Pacific.*

Japan Prepares for War with America

6. For this reason, as well as for the added one bred of implacable Japanese resentment due to American refusal to concede racial equality, Japanese military thought is dominated by the conception and the reality of the inevitability of Japan's third "decisive war"—with America. For this war, the Japanese General Staff have planned and are preparing just as they planned and prepared for the first "decisive war" with China in 1894-5 and the second "decisive war" with Tsarist Russia in 1904-5. The chief preparation for the second war was the conclusion of the Anglo-Japanese Alliance which, though terminated, continues in principle to determine British foreign policy vis-a-vis Japan. And in the scheme of preparation for the third war, it is the task of Japanese diplomacy to sustain the spirit of the Alliance in order to frustrate any attempt at an *Anglo-American naval combination in the Far East,* than which there is nothing Japan fears more as an agency of international discipline and coercion. Incidentally this accounts for the omission of the words "Australia" and "New Zealand" in the vocabulary of Japan's publicity thugs when clamoring for a "home" for their "surplus population."

7. But the most formidable indication of Japan's war preparation is her present campaign for the subjugation of China, which has already begun with her deliberate conquest of the whole of Manchuria and the actual hostilities waged by her armed forces against the regular forces of the Chinese Government for the capture of Jehol, the fourth Chinese province to be conquered by the Japanese army.

China is at once an end and a means in the scheme of conquest which the Japanese General Staff have been working out since September 18, 1931. Chinese raw materials and the Chinese market are vital to a Japan resolved and determined to rival in world-greatness the other Island-power on whose Empire the sun is said never to set; and in order that China should forever be a market for the absorption of Japan's factory output, Japanese domination must involve a non-industrialized China in the matter of all production likely to compete with Japanese production.

A subjugated China is a Japanese means because the domination and use of the material resources and man-power of China as well as the possession of strategic Chinese centers are equally vital to Japan in the event of war with America.

8. *Juristic consideration.* In his inaugural address, President Franklin D. Roosevelt declared: "In the field of world policy I would dedicate this Nation to the policy of the good neighbor, who resolutely respects his obligations and the sanctity of his agreements." In the Nine-Power Treaty, Japan covenanted with the United States and the other signatories to respect the territorial sovereignty and administrative integrity of China and, in the Kellogg Pact, she also covenanted with the United States and the other signatories not to resort to war as an instrument of national policy. These two Treaties, it must again be repeated, are American documents in the sense that they were begotten of American inspiration and statesmanship. At this date it is unnecessary to labor the point that Japan has violated those pacts of nations in circumstances constituting an intolerable outrage on America and the rest of the

civilized world as represented by the League of Nations.

Japan has occupied and severed by military violence a great area of Chinese territory nearly three times the size of Japan Proper with a Chinese population about one-half that of the entire population of Japan Proper. And as if to signalize the cynical fact that she had to resort to force, i.e. war, as an instrument of national policy, Japan has sought to justify her transgressions in Manchuria on the ground that the latter is a "matter of life or death" to her.

It is a Chinese submission that Japan's military conquest of Manchuria and Jehol has created a situation upon whose occurrence the Nine-Power Treaty and the Kellogg Pact were intended to become operative and that, in consequence, it is a matter of national honor and good faith on the part of the United States to see that Japan resolutely respects her obligations and the sanctity of her agreements under the Treaties.

9. *Economic considerations* also made for the same conclusion enforced by the foregoing strategic and juristic considerations. The doctrine of the Open Door in China is, as already noted, an American conception and an American contribution to international security in the Far East. If it was valid in the days of John Hay when American prosperity was not yet largely dependent on foreign exports, the doctrine is still more valid in these days when American prosperity and the *American standard of life based on it* depend not only on domestic consumption of America's machine-production but on foreign consumption of the surplus output of such production. If this is true, then the China market may well be regarded as a necessity to the machine-age in America, the more so because America's policy of goodwill towards China is an "investment" which, after the liquidation of Japan's destructive activities in China and a consequent increase in China's buying capacity, will yield the American trader a return that no alien pressure nor alien guns can ever extort from the Chinese people.

10. What may be described as *international considerations* are best defined in a discussion of America's responsibility to implement her obligations and her agreements under the Nine-Power Treaty and the Kellogg Pact in view of Japan's calculated violation of these pacts.

While not specifically asking America to go to war with Japan, it is the right of China—a right vested in her by two American Treaties—to ask America (a) if she abides by the terms and obligations contained in those treaties and (b) if so, in what manner she means to assist China to secure Japanese observance of the Treaties. Apart from material assistance not involving actual warfare, it is within the power and competence of the United States to intervene decisively in support of the Treaties.

11. In the war-debts due to America, there is such power. Whether these debts can be paid or not by Britain and France and the other European debtors, it would be futile as well as mischievous for America to cancel them unconditionally. Unconditional cancellation will not make either for American prosperity or for world "recovery," since the depression which afflicts America and the world is but a manifestation (though a massive manifestation) of a great secular Revolution that is reshaping the existing order of society. Even as the French Revolution inaugurated an epoch in history characterized finally by the political security of the individual and the rise of nationalism, so the Revolution that is unfolding itself in our midst is destined to assure economic security to the individual and international security among the Nations.

This thesis cannot, for obvious reasons, be developed here; and so it must suffice to insist that, apart from other economic and social conditions, a regime of peace —ecumenical peace—is a necessity if the new world order, on whose threshold we almost stand, is to be realised without the bloodshed and violence that has often marked the onset of great revolutionary changes in the affairs of men.

12. But world-peace is not possible without disarmament—military and naval, though what is called moral disarmament is also vital. Disarmament, however, is not practicable if, besides the strictly European difficulties of security, equality of status and territorial revision, one of the Great Powers of the World—Japan—reveals itself nakedly in the figure of a nation whose ruling classes, morally, are like savages armed with machine-guns. There is not another case like this in the whole course of historical experience (not even Athens, at the moment she resolved on the destruction of Melos, can be thought of in this connection) of great power used so ruthlessly—without restraint, without that moral sense of responsibility which marks off man from beasts of prey.

America Should Assist China

13. It is, therefore, both a right and a duty of America to demand in return for the cancellation of the war-debts that Great Britain and France, in particular, shall cooperate with the United States, first, in actively assisting China to secure Japanese observance of the Nine-Power Treaty and, secondly, to carry out general disarmament on a scale and in a manner which shall ensure international security not alone among the nations of Europe and the Americas but as between the states and peoples of Far Asia on the one hand and Japan on the other.

14. The effective and entire disarmament of Japan is, it must be insisted upon, a condition of the system of disarmament envisaged by the civilized mind as a necessity if there is to be a higher organisation of the life and work of nations. This is even a more imperious need than either French military disarmament or British naval disarmament. While there can be no true peace unless France and Britain eventually disarm, these countries are in truth modern states, broad-based on democracy and the liberties which it is the fashion in some quarters to deride. They can ordinarily be trusted, even as America can be trusted, to use great power soberly and with restraint. Not so Japan.

15. As a result of the naval decisions of the Washington Conference, Japan has been able to capture naval predominance in Far Eastern waters. There is no *single* Power, whether it be America or England, that can now challenge Japan in the seas of Far Asia. This fact, *coupled with the character of the real government of Japan*, explains why the Japanese dare, with impunity, to tear up great treaties deriving from American statesmanship, to invade and occupy by force the richest region of extra-mural China and so begin the conquest of China as a whole, and arrogantly to defy and flout America and the states constituting the League of Nations.

16. The real government of Japan is not the so-called Cabinet whose Robot mouthpiece is the Foreign Office at Tokyo. The true Government of Japan is the Japanese General Staff. It is customary to read Japanese history in the sense that the Meiji Revolution in 1867 ended the Shogunate as the ruling institution of feudal Japan. That transaction did not liquidate the Shogunate but merely transformed its personnel, substituting the military and naval clans of Satsuma and Choshu for the Tokugawa family and leaving the Shogunate as a feudal institution to survive in the Japanese General Staff.

It is this feudal institution—this veiled Shogunate—that has continued to rule what Japanese propaganda calls "Modern Japan." There is no more sinister albeit extraordinary phenomenon in modern history. "Modern Japan" emerged as one of the Great Powers of the world *under the auspices of the Anglo-Japanese Alliance* which Japanese statecraft eventually transformed into a purely Japanese instrument of high policy, enabling Japan to defeat Tsardom, to dig her toes into rich Chinese soil in Manchuria and then proceed to the annexation of Korea. Had it not been for British material and moral assistance, Japan would hardly have secured the ranking of a Great Power and, today, would not be the danger she is to China and America and, ultimately, even to the British Empire.

17. On the basis of the foregoing views, it is the Chinese submission that the vital interests of the Government and People of the United States demand the active and positive intervention of America in the conflict created by Japan's military violence against China in order, first, to discharge the obligations of honor and good faith pledged to China under the Nine-Power Treaty and the Kellogg Pact; secondly, to ensure the national safety and security of the United States against Japanese designs to capture naval predominance in the Pacific as a whole; and, thirdly, to recreate American prosperity which is only possible in a regime of world-peace to be initiated by and through the effective disarmament of Japan, followed by the general disarmament of the other Powers.

18. Such an orientation of American national policy is possible by a realistic treatment of the war-debts which, in this period of profound secular changes, are not merely

an economic weapon in the hands of the American Government but an instrument of high policy to be used in bringing about a wise and creative settlement of the present disordered affairs of Nations.

It is true that this must involve a development of American policy which may seem to conflict with a narrow reading of Washington's warning against foreign entanglements. But it is permissible for a foreigner, for a Chinese, to repeat what was greatly proclaimed by the Democratic Party under Wilsonian leadership and emphasize the manifest destiny of America as a World Power and the reaching out of her influence to the places where men meet and act so that civilized society shall not perish from the earth.

Editor of "World's Worst Newspaper" Retires

Z. Hamamura, 63-year old editor of the *Manchuria Daily News*, has retired. His place has been taken by George Gorman, a British subject who will have the assistance of R. Yanagasawa, who served for many years with Mr. Hamamura. At a farewell dinner in Dairen Feb. 23, Mr. Hamamura said that he had quit the management of the paper not voluntarily, but in pursuance of "kind advice" given by a patron of the journal who while visiting Dairen, advised him to quit so that he might snatch at the chance to make a decent retreat, not waiting till he should have to run for his very life like a hunted rabbit.

Z. Hamamura
Retiring editor of *Manchuria Daily News*

The *M. D. N.*, under the retiring editor's management has been the most chauvinistic paper that has ever appeared anywhere in any language. It was termed by Chester Rowell, American publisher, as the "world's worst newspaper." It became notorious for printing Biblical quotations, which interspersed Japanese victories in Manchuria. It was insulting in its tone—it stressed the fact that no American troop-ships were coming across the Pacific to interfere with Japan's program. The new editor, George Gorman, formerly correspondent for a London newspaper, has been a contributor to the *M. D. N.* for some years under the pseudonym "P. O'Hara." The fact that P. O'Hara and Gorman were one person was mentioned in *The Review* over a year ago. A denial was printed at the request of Mr. Gorman.

China and Soviets Receive British Disarmament Proposal Coolly

The discussions at Geneva March 27 on the British disarmament proposals at Geneva elicited views from the Chinese and Soviet delegates, among others. Dr. Wellington Koo in the course of his remarks referred to China's scrupulous respect for Treaties and M. Dovgalevsky in a cynically humorous speech said the Soviet delegation could not remain indifferent to the number of effectives which might be attributed to its Asiatic neighbors, such as Japan, for instance, especially taking into account the regions closely situated to Japan which might be armed by that State. The Soviet delegate also criticized the British reservation regarding police measures in the matter of aerial bombardment and advocated the complete prohibition of aerial bombardment.

Dr. Koo took especial exception to the British suggestion regarding the reservatian of air bombardment for police purposes for outlying regions. He said that air-bombing had come to have a terrible meaning for the Chinese people. It was a form of warfare specially offensive and extremely efficacious against national defence and most threatening to civil populations.

China, said Dr. Koo, should have a navy and air force commensurate with the length of her coastline and the extent of her territory.

Shanghai Muncipal Councillors Elected

The election of members of the Muncipal Council of the Foreign Settlement of Shanghai, held March 27 and 28, resulted in the election of the following the names being given in the order of number of votes received, with the Japanese, as for many years past, in the lead: T. Funatsu, O. Okamoto, Brig.-Gen. E. B. Macnaghten, F. J. Raven, H. E. Arnhold, A. D. Bell, C. S. Franklin, E. F. Harris, P. W. Massey. Of the two successful American candidates, Mr. Raven succeeds himself; Mr. Franklin has had no previous Municipal experience. The Council for the forthcoming year will, therefore, consist of five Britons, two Japanese, and two Americans. Last year only one American was elected through lack of unity in the American community.

Out of a total of 3400 registered voters, 1654 voted,—a higher proportion than in previous years. The Japanese community this year as in the past turned out in greater numbers than the Western communities.

Chinese Ratepayers Election

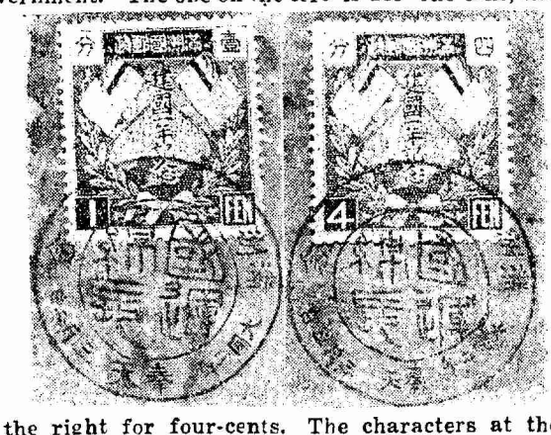
Chinese residents of the Settlement held an election at the Bankers Association March 28 for the 27 new directors of the Chinese Ratepayers Association. The result was as follows:

Messrs. Yu Ya-ching, the Chinese shipping magnate; Wang Shao-lai, chairman of Chinese General Chamber of Commerce; Sze Liang-tsai, director of the *Shunpao*; L. T. Yuan, general manager of the Ningpo-Shaoshing S. N. Co.; Fong Tsiao-pah, former chairman of the Chinese Chamber of Commerce; O. S. Lieu, general manager of the China Merchants S. N. Co.; Tsing Zan-ching, chairman of the Native Bankers Guild; K. H. Lin, chief secretary of the Chinese Bankers Association: Eugene Kiang, lawyer; Yu Hua-lung, lawyer; and Dr. John C. H. Wu, adviser on Chinese affairs to the Council.

The 27 directors of the Chinese Ratepayers Association above constitute one-third of the total number. The 54 others will be chosen next week by the commercial associations and resident guilds. When the 81 new directors are finally elected, they will meet and elect the Chinese members of the Shanghai Municipal Council and its various committees for the ensuing year.

Manchukuo "Commemoration" Postage Stamps

Printed herewith are reproductions of cancelled "commemoration" postage stamps issued by the Manchukuo Government. The one on the left is for one-cent, the one



on the right for four-cents. The characters at the top mean "Manchukuo Postal Administration." The cancellation stamp is that of the Fengtien post office under the "Ta Tung" regime.

Dr. Josephine C. Lawney Awarded High Medical Honor in America

Dr. Josephine Carrier Lawney, Dean of the Margaret Williamson Hospital, which is incorporated with the Women's Christian Medical College at Shanghai, has been awarded a Fellowship in the American College of Physicians. The award was made at the seventeenth annual convention of the organization held recently at Montreal, Canada. Dr. Lawney is a graduate of the Women's Medical College of Pennsylvania and has spent several years in medical educational work and hospital service in China. She is now home on leave. According to the report in the American papers, Dr. Lawney was the only woman physician among a total of 25 doctors to receive the honor this year.

Two Foreign Experts Clash in Their Views on the Situation in the North

(Two foreign correspondents, long experienced in covering political and military developments in China, sent The Review articles dealing with the situation in the north. One strongly criticises Marshal Chang Hsueh-liang and Gen. Chiang Kai-shek for their failure to put up a better defence in Jehol. The other correspondent thinks what happened was for the best and makes an equally strong argument for making the best of what he terms a hopeless situation. The Review presents the articles herewith in parallel columns).

CHINA SHOULD HAVE PUT UP A BETTER DEFENCE

(By a Foreign Correspondent)

POST-mortems on the loss of Jehol find many military experts and foreign observers agreed that the facility with which a comparatively small number of Japanese troops have conquered that province was due not so much to the superiority, man for man, of Japanese over Chinese soldiers, as to the almost total absence of coordinating staff work by Chinese generals. Probably not since the days of the Crusades has a great army taken the field with so little evidence behind it of preparation, organization, centralized command, or arrangement for furnishing military supplies, commissary and transport.

For months in advance Chinese generals knew that Japanese troops were making extensive preparations for invasion of Jehol. Commencing as far back as November Japanese troops in the new "independent" state of Manchukuo were steadily reinforced. By the time the offensive began in Jehol their total officially was admitted to be in excess of 60,000 men. Several squadrons of airplanes were imported, tanks, heavy field artillery, and the various paraphernalia of war were gathered on the borders of Jehol. Still virtually nothing was done by Chinese generals to consolidate command in that vicinity, or to take the ordinary precautions which the situation demanded.

This tragic ineptitude, following closely upon the easy Japanese capture of Shanhaikuan, was mysterious. Early in January the Chinese had lost Shanhaikuan ("First Gate of the Realm") ostensibly through failure to anticipate the "surprise" attack. How much of a surprise it was may be judged by the fact that newspaper correspondents had been assembled on the spot three weeks in advance to cover the event.

Jehol was recognized to be the next objective of the Japanese military. But by February 25, when the Japanese War Office officially announced the beginning of its offensive, it was clear that only unexampled heroism and courageous martyrdom could enable the Chinese to make a lengthy stand, though the topography vastly favored defensive tactics. Japanese militarists, better informed concerning the preparations made against them than the Chinese people and many officials were, confidently predicted that within ten days all of Jehol's 77,000 square miles would be theirs.

No Unified Field Command

In Jehol were some 250,000 to 300,000 Chinese "troops," supposedly there to fight Japanese. But behind them lay little but the barren crags and crude mountain roads over which soon they were to beat an ignominious retreat. Few lines of transport were established, there were but primitive hospital facilities, and nothing had been done to assure communications. Only two divisions of Chinese had ammunition and food sufficient to last for more than a week's steady fighting.

Theoretically Marshal Chang Hsueh-liang, who Nero-like remained in his Peiping palace, danced and played

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CONTINUED RESISTANCE WILL PROVE FATAL TO CHINA

(By Another Foreign Correspondent)

THE Young Marshal has left Peiping and General Chiang Kai-shek is for the first time in the saddle in North China. Peiping is no longer a place owing allegiance to Nanking but a part of the parish itself.

Strangely enough the change makes for peace although the immediate reaction in Chinese circles was that it heralded the beginning of a real campaign of resistance against the Japanese. It has been a point of honor with the Japanese militarists that they would get Marshal Chang Hsueh-liang out of office and out of North China and so long as he remained the Japanese miltarists would have found some "provocation" on which they would have extended operations.

The Marshal left, and left hurriedly, and the Japanese were content. Unless there is something like real provocation North China can look forward fairly reasonably to a period of peace. It is stated in well-informed Japanese circles in Peiping that three days before the Marshal resigned Tokyo gave orders for three divisions in Japan to prepare to depart for Tientsin and Peiping. When the Marshal resigned that order was cancelled and thus Peiping was saved from an invasion which might have carried the Japanese almost anywhere into China.

No one, there is reason to believe, was more surprised over the Marshal's departure than the Marshal himself. There is circumstantial evidence to show that when the Marshal resigned his primary object was to secure a vote of confidence.

It is an even bet that until the Marshal met the Generalissimo at Paotingfu he had no idea that his services were being dispensed with. Their interview, contrary to official reports, was sharp and short. After about ten minutes talk each retired to his private train while Minister T. V. Soong went backwards and forwards between them. The Marshal was in fact railroaded out of town. In fact some of his monthly subsidies were paid out on the day before this historic interview and the suggestion is made that this would hardly have been done if the Marshal had known then he was even likely to go.

Even so the Marshal cannot fairly be made the scapegoat of the Jehol affair. He has had the most difficult situation in China to handle and no military man in China could have held Jehol against the Japanese advance. The only thing other Chinese militarists in his place could have done would have been to register vastly more casualties than attended the loss of Jehol, which was a foregone conclusion.

The Marshal has been asked in the public press why he didn't dismiss General Tang Yu-lin a year ago. The answer is that he couldn't and if he did so Jehol would have gone to Japan a year ago instead of now. Tang Yu-lin a year ago had declared himself a staunch supporter of China against Manchukuo. Had he been dismissed then the same press would have howled for the

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CHINA SHOULD HAVE PUT UP A BETTER DEFENCE

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throughout the hostilities, was supposed to hold the high command of all troops. Actually there was no unified field command whatever. Each general apparently conducted himself and his troops more or less independently and so-called headquarters here often had no information from divisional commanders for as long as 48 hours. It was a perfect example of how not to conduct a war.

From a newspaper correspondent's viewpoint, Peiping was a most unfortunate place to be. During the 15 days of struggle which virtually added to the Japanese Empire a province larger than the state of Colorado news contacts with Marshal Chang Hsueh-liang's headquarters were largely confined to a spokesman. His information repeatedly proved to be faulty, but the Young Marshal himself was unavailable to anyone who wished to confirm reports. This spokesman quite apparently did not generally desire to falsify the positions of Chinese troops; he was in real ignorance of their positions. It is doubtful if Marshal Chang himself had a very clear idea of what was taking place.

For example, it was officially announced one day by the Chinese that Gen. Sun Tien-ying, whose troops held an important military road between Chihfeng, in northwestern Jehol, and Chengteh, the Jehol capital, had sold out to the Japanese. Next day the Japanese denied that he had allied with them, and subsequently Gen. Sun's two divisions were proved to be fighting the invaders! Chinese headquarters had no lucid idea concerning the whereabouts of Gen. Tang Yu-lin's troops, although Tang, himself governor of the province, was at one stage of the hostilities supposed to be in supreme command at the "front!" Incidentally, one of the most amusing yet pathetic scenes of the war for Jehol was that of fat, aged Gen. Tang sitting in his palace in the capital when Japanese troops were approaching. Foreign eyewitnesses declare that for several hours Gen. Tang's subordinates surrounded him, demanding orders. The only order Tang could give was instruction for the transportation of his personal effects to Peiping. For this purpose he had 146 motor trucks commandeered, the only ones available for moving munitions badly needed at the front. When finally the old man emerged from his coma, a few hours before the Japanese took his capital, he called for his commanders. They had already fled, however, with his troops; and Tang sagaciously did likewise.

Spontaneous Action

Where merit was displayed it seems to have been as a result of purely spontaneous action by the rank and file of the troops. It is certainly difficult to trace such fighting to coordinated and instructed command. Where severe fighting took place at Pingchuan, Kupeikou and Hsifeng, however, Gens. Sung Cheh-yuan and Kuan Lin-tseng are given credit for leading the resistance put up by their men.

Chinese casualties during the whole Jehol campaign were reported to number in the neighborhood of 15,000. Of these 3,680 wounded reached Peiping—nearly 100 miles from the scenes of fighting, but the nearest hospital bases available. Tragic things were to be witnessed during a trip on March 12 to Kupeikou, the pass through the Great Wall from Jehol to Peiping, which Japanese troops captured that day. Six hundred or more Chinese soldiers were killed at Kupeikou. Yet during the whole drive northward 75 miles from Peiping and return not a single motor ambulance could be seen! Straggling along the road were scores of Chinese soldiers, retreating. Many wounded with their legs shot up, dragged themselves along with their hands. Others were carried by comrades. Some were piled like sacks of meal into two-wheeled carts commandeered from peasants. Beautiful staff work! Dr. J. Heng Liu, who appears to have been designated to direct relief and hospital work at the front, did not arrive in Peiping till the drama in Jehol had already attained its tragic denouement.

Under such circumstances it is difficult to believe that those high in command ever intended seriously to oppose the Japanese. Other factors indicate that military authorities at both Nanking and Peiping could have anticipated little success for the heterogeneous troops in Jehol. Marshal Chang Hsueh-liang, entrusted with direction of defense operations, sent only six brigades, of some 200,000 troops of the Northeastern Army into Jehol. They were his poorest troops. And a week be-

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CONTINUED RESISTANCE WILL PROVE FATAL TO CHINA

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blood of the person dismissing him and had he been dismissed he would merely have turned over to Manchukuo and Jehol would have become Manchukuo territory overnight.

The Marshal did what he could: forced his own troops into the province in spite of Japanese warnings and so try to stiffen up Tang Yu-lin that he would have to fight. When the blow fell it was soon shown that the whole situation there was far too rotten to bear bracing up and by the natural order of things it fell to pieces. Foreign military experts employed by Nanking formed good defence plans for Jehol but when the vital day came troops that should have been in trenches were still forty miles behind them.

So Jehol fell, like a rotten apple, and the Marshal fell behind it but those who condemn a young, weak and somewhat incompetent ruler may remember in his favor that his sense of personal responsibility and his sincerity more than equalled that of many of his contemporaries. Had he cared to go over to Japan and play her game in Manchuria he could have been a rich and powerful young man. He could have been the chief executive of Manchukuo in comfort and peace instead of which he chose the path of Ishmael—every man's hand against him. He knew he couldn't win but at least he didn't give up.

Whoever is responsible for his departure took a wise step, whether knowingly or not. It is easy for those in the North to see where the so-called policy of military resistance is going to lead. There is a business axiom which applies to politics sometimes and it applies now. It is "cut your losses." The wisdom behind the axiom is that unless the losses are cut they lead to further losses and infinite disaster. China's showing in Jehol demonstrates beyond all doubt the utter poverty of the Chinese military machine and the poverty of the Chinese military mind. Further armed resistance invites disaster because it provokes retaliation and cannot possibly be successful.

The Futility of a Counter Attack

Japan seems content with what she now has and there is a general feeling here that North China is not likely to be bothered in the near future with Japanese incursions, unless of course China invites them. In that case local Japanese militarists are only too happy to oblige. If China wants to make Japan a present of Chinese territory down to the Yellow river she has only to stage what is called in the Chinese press a counter-attack for the recovery of Jehol. How the Chinese advocates of this measure justify their arguments is difficult to discover. Jehol was full of natural advantages and the Japanese attackers at a disadvantage. Now the Japanese hold those natural advantages and there is a section of Chinese who believe or profess to believe that they would do better attacking than defending those natural defences.

Neither Jehol nor Manchuria can be taken now, even by the entire military forces of China. The only possible result of further hostilities for China would be the further loss of territory.

That this is seen by many highly placed Chinese seems to be borne out by recent events. While it cannot be said that the Japanese army is friendly towards any Chinese militarist it is certain that the Japanese are not antagonistic towards those now in power in North China from the Yellow river upwards. If China in the course of the next ten years can develop her natural resources in materials and men, her natural wealth and her man power assure her of the eventual recovery of Jehol, and Manchuria. Japan's expansion must be limited: China appears to have limitless possibilities, but it is all a question of time. If China can learn to cut her losses temporarily she finally should be able to recover all. To attempt the impossible now means only bloodshed, the loss of valuable life.

The exploits of General Sung Cheh-yuan's forces at Hsifengkow while admirable from some points of view were disastrous from others. Fabulous stories of successes emanated from his headquarters and it is certain that if they had been only ten per cent true the Japanese would have landed in North China and taken Sung in the rear, which would have meant the military occupation of Tientsin and Peiping areas.

According to his claims Sung killed ten thousand Japanese troops in a week whereas it is a fact that only

(Continued on right-hand column of succeeding page)

CHINA SHOULD HAVE PUT UP A BETTER DEFENCE

(Continued from left-hand column of preceding page)

fore the Japanese captured Jehol the Marshal collected in Peiping one month's rent from every house owner, which theoretically was to be used for tripling the local police force to protect Peiping—not against the Japanese but against Chinese returning from Jehol! The Marshal apparently reserved his best troops to be sent to the Great Wall, a few days later, with orders to shoot any "unauthorized persons" retreating southward.

Chinese Sell Rifles—Japanese Buy

That order left roughly 100,000 Chinese soldiers of various descriptions—Volunteers, Red Spears, old People's Army men and other "unauthorized persons"—stranded in Jehol. Deserted by their own commanders, without food or supplies, unpaid for weeks, and barred from China, it is not surprising that many thousands of these men readily sold their rifles for prices ranging from $10 to $20 to the Japanese. According to foreign eye-witness accounts while Japanese army trucks were proceeding down the roads Japanese soldiers hung over the sides buying up guns from Chinese who flocked as news spread of the great opportunity.

Marshal Chang Hsueh-liang, who lost to the Japanese first the Three Eastern Provinces, then Shanhaikuan, and who has now retired, is given most of the discredit for the opera bouffe performance in the loss of Jehol. Actually the responsibility rests on the central government at Nanking. It was well known there that Marshal Chang not only lacked the spirit and intelligence to defend Jehol, but also the funds, munitions, transport and similar sinews of war. T. V. Soong, minister of finance, frankly admits that he told government officials upon his return from a pre-war visit to Jehol that Chinese resistance there could not last more than 10 days. Yet not a gun nor a bullet, not a single airplane was sent north by the government before Jehol was lost! No official attempt was made to organize nation-wide mass resistance, no concerted effort made to mobilize the nation's resources in resisting enemy encroachments. None has been made now, to the writer's knowledge. The government policy, if any, seems to be drift and inactivity.

Appearances strongly indicate that Gen. Chiang Kai-shek, quasi-dictator of the central government, adroitly regarded Jehol as a regional problem, sagely avoided wasting his strength in the struggle with Japan. By such tactics he has possessed himself today of power over all North China as successor to the weakling Marshal Chang. He came in at the crucial stage when the Marshal's troops were wasted, demoralized, dispirited, scattered, disorganized. For the present his prestige is great though he has done no fighting whatever since the Japanese began to carve up China. Will he permit this process to continue now that his own troops at last face the Japanese? Will he seek peace through direct negotiation with Japan, as is now indicated to be the government's yearning, and recognize Japanese possession of nearly half a million miles of once Chinese territory? Or will the generalissimo carry on with the resist-to-the-bitter-end campaign for which he is now once more pledging to lay down his life? On his decision hangs to a great extent the immediate course of destiny in Eastern Asia.

Peiping, March 23, 1933.

Soviets Also Purchase Ships in Britain

Seven vessels were recently bought in Great Britain for the Soviet Government's mercantile fleet. Four of these were bought from Furness Withy & Co., Ltd., shipowners, London, and three from J. & J. Denholm, shipowners, Glasgow and Greenock. All the purchases were made on the basis of long-term credits up to thirty-three months and no immediate payments were involved in these transactions.

B. A. T. Foreign Employee to Become Naturalized Chinese

C. J. Beale, a member of the accounting staff of the British-American Tobacco Company in Shanghai, published an advertisement in the *Sin Wan Pao* last week announcing that in accordance with the laws governing naturalization, he has taken out papers to secure Chinese citizenship and permission for this purpose has already been secured from the Ministry of Home Affairs.

CONTINUED RESISTANCE WILL PROVE FATAL TO CHINA

(Continued from right-hand column of preceding page)

between two and three thousand Japanese were engaged there. Sung's stories of slaughter by his big swords corps would, if true, have made the slaughter of modern war machinery in France during the Great War look like comic opera warfare. However, the more ridiculous his claims the easier of belief they became among even well-educated Chinese, which led to a wave of publicity calling upon Chinese leaders everywhere to come and emulate General Sung Cheh-yuan.

It rightly evoked no response: the day of forlorn hopes belonged to another century, not to this one and it is safe to say that no attempt whatever at counter-attack will be made by the Chinese troops now in North China, whether they belong to Marshal Chang Hsueh-liang or the Central Government. Military leaders at least appreciate that it would be suicide and would do not one iota of good. China has to emerge from her ricksha civilisation and wait for the day when she can call Japan on her own ground: must wait until she has modernised herself and her army and navy, until she is ready for the ordeal by modern battle. The spectacle of the infinitely weak challenging the very strong is admirable but also pitiable. China must wait.

Peiping, March 24, 1933.

Radicals Sentenced by Japanese Courts

Yukichi Ishikado, who stood as candidate in the municipal assembly election at Sakai City, Osaka Prefecture, on January 20 was formally indicted last week by the Osaka Ditsrict procurators, on the charge of acting in a Communist movement. Ishikado was formerly Chief Secretary of the Sakai Branch of the Ronoto (Laborers' and Farmers' Party) and, involved in a Communist case, was once sentenced to a year and a half's imprisonment, although he was later acquitted in the Osaka Court of Appeal.

Miss Kiyoko Tsurumaru, formerly a student of Tokyo Girls' University, was sentenced to prison March 16. She is alleged to have been a member of the Communist Party while studying in the university, and to have continued her activities after she was expelled. She comes from a well-to-do family of Shizuoka, her father being a noted doctor. Her father, worried, committed suicide last August, the tragedy being followed by the death of the wife. The girl's two brothers are being sought by the police.

A girl of 23, sentenced at the Osaka Court recently to three years' penal servitude for radical activities, is shortly to become a mother. The belief was expressed in Japanese newspapers that the girl will temporarily be released on bail.

Education and Catastrophe

To the Editor, *The China Weekly Review*:—

In studying H. G. Wells' "Outline of History," we find this remarkable sentence, "Human history becomes more and more a race between education and catastrophe." The Great War, he points out, is an example proving the latter's success.

Now we are again witnessing a race between "education" and "catastrophe." Ever since the publication of the Lytton Report and the adoption by the League of the Recommendations of the Committee of Nineteen, Japan's actions in Manchuria have been bitterly and concretely condemned by world opinion. But, on the other hand, Japan's militarism is still rapidly and vigorously advancing, never being checked in the least. We are unable to predict what will be the outcome of the struggle between world opinion and Japan's militarism. But we shall wait —wait to see who in the end will win the race.

Shanghai High School, March 23, 1933. J. B. Koo.

Boxing and Fencing Useful in Warfare, Says Chinese General

In an interview at Nanking, March 22, with the Chinese press, General Chang Chih-kiang, a former Kuominchun leader and president of the National Calisthenics Institute of Nanking, declared that boxing and fencing had a definitely useful place in modern warfare. "The success of the Chinese troops both at Shanghai and Hsifengkow," he said, "was due to the use of big swords in infantry charges."

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River. and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

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Wanted: A Definite Policy

BY PAUL K. WHANG (王仲芳)

WITH the dramatic exit of Marshal Chang Hsueh-liang, the highest military officer in North China, and the sudden return of Wang Ching-wei, the president of the Executive Yuan, the Chinese political stage has been all set for a new political performance, and the principal actors concerned are now busily engaged in calling conferences and rehearsing their parts with the hope that their actings will be better received by the vast audience. The audience, whose patience has already been at the breaking point, have become more vociferous and aggressive in their demands of less words but more action. It is no secret that if they heed not the warning of converting their words into action, more actors will be hissed and kicked out of the Chinese political stage by the enraged and disappointed audience.

The political limelight is now focused on two persons, General Chiang Kai-shek and Wang Ching-wei: The former is the chairman of the Military Affairs Commission and virtually the Commander-in-chief of Chinese land, aerial and naval forces, while the latter is the highest civilian officer, although he has not yet actually resumed his office. Both of them are familiar figures on the Chinese political stage and need no words of introduction to the audience. Their movements and gestures are now being closely watched with attention and interest, and their utterances and statements are being carefully scrutinized with the object of finding some hints as to their respective stands toward the present crisis. Further interest has been aroused by the report of their immediate meeting, at which it is expected that their cooperative efforts will eventually formulate a definite policy on which the future performance will be based.

A definite policy is the very thing which we have sought for a long time but have not found. Since the Japanese invasion of Manchuria, the responsible officers have been at a loss to know whether they should fight or negotiate, and the ship of state has been permitted to drift aimlessly on the stormy ocean with its passengers vainly crying for assistance. The statement, "There was no plan for defense: The local authorities were relying on the Central government and the Central government was relying on the local authorities," can not be totally dismissed as an alibi put up by the Young Marshal to shift his blame. At this eleventh hour, the sailors on this ship of state must immediately take its control and navigate it along a definite course before it will be possibly swallowed by the stormy ocean.

Characteristics Compared

The characteristics of Gen. Chiang and Mr. Wang are as different as their faces. Gen. Chiang, either because of his high official position or for some other reasons, has an aversion to granting interviews and making public statements. When he speaks, he makes no definite commitment and leaves his audience to conjecture what he has at the bottom of his heart. Since the Manchurian embroglio, he has purposely kept himself busy with the affairs of suppressing the red-bandits in Central China. Never have we had the pleasure of hearing or reading his statements as to his personal conviction vis-a-vis the Sino-Japanese situation. His utter silence in comparing with the eloquent appeals of the lesser leaders has long been a cause of complaint among the ultra-patriotic people who have advocated a strong and positive policy against the Japanese. Therefore what Gen. Chiang has really in his mind has not yet been known and possibly will never be known to the people.

On the other hand, Mr. Wang, a noted writer and eloquent speaker, has long made his mind open to the public through his own frequent writings and speeches. Rightly or wrongly, he has believed in the policy of resistance, and because of this belief, he resigned his office last August in order to force the Young Marshal to resign also. After a brief sojourn in Germany, he has not changed his mind, and upon his returning, the first thing he told his own countrymen is that we must fight our own battle.

When these two important political figures meet together, whether they can manage to agree on a definite policy, can not be foretold. With the elimination of the Young Marshal, the policy of non-resistance has lost its chief protagonist, and therefore may give way to that of resistance, which has long been advocated by Mr. Wang and also urged by the majority of our people.

The parting of the ways is indeed devoutly wished; but it must be said that effective resistance can by no means be put up merely by virtue of an agreement among the political leaders. It is simple enough to talk, but it is very hard to put it into practice. We can not resist our enemy unless we first prepare ourselves and are ready to make the sacrifice. In view of the present political conditions, we have reasons to doubt whether any effective resistance can be offered if the Japanese extend their military operations inside the Great Wall.

The position which Gen. Chiang finds himself in is not an enviable one. Besides preparing for eventual further Japanese invasions, he has met with great difficulty in reorganizing the northern military affairs. On the one hand, he has to solicit the support of the lieutenants of the Young Marshal. It must be said that in China the armies are more personal than national and the change of their command often results in open revolt. In view of the demoralization of the Northeastern Army, he has to dispatch his own army to take their place, but he can not possibly do so without incurring their suspicion and displeasure.

On the other hand, he has to sue for peace with his former enemies, Marshal Feng Yu-shiang and General Yen Hsi-shan. Although Marshal Feng and Gen. Yen are now living in retirement, their influence has not been very much impaired through the ascendancy of their subordinates into power. Gen. Chiang has so far succeeded in inducing Gen. Yen to meet him at a conference, but has not been able to win the favor of the former Christian General who has persistently secluded himself in Kalgan.

The northern political condition has undergone a great change without any outward mishaps. This, however, does not mean that the northern military leaders are willing to serve under the leadership of Gen. Chiang Kai-shek. For the time being, they have to suppress their dissatisfaction because of the critical situation arising from the Japanese occupation of Jehol. It is feared that as soon as the situation settles down, the dissatisfied military leaders and politicians may openly challenge the authority of Gen. Chiang.

War News for Home Consumption

In devoting his time and energy to consolidating his position in North China, Gen. Chiang has apparently not yet done anything for the task which has brought him to the North. Although the Chinese newspapers have been daily giving accounts of fighting launched by the Chinese forces along the Great Wall, these news, it is believed, have been largely fabricated for domestic consumption with the object of winning the support of the people. It is exceedingly doubtful that under the present political condition Gen. Chiang can put up any effective resistance, if the Japanese are determined to extend their sphere of influence beyond Tientsin and Peiping.

The persistent refusal on the part of Wang Ching-wei to resume office as head of the Executive Yuan can neither help the government to resist the Japanese aggressions. It sounds rather ridiculous that he who came back against the advice of his physicians because of the critical state of affairs in China should refuse to contribute his services to the government. With the retirement of the Young Marshal, the obstacle in his way to the resumption of his office has been removed, and the infamous policy of non-resistance which he has denounced with all his eloquence will probably be discarded on the urge of the people. Therefore the time is never more opportune for him to champion his own policy at the present time. In view of his persistent refusal to resume his office, one wonders how effective resistance can be put up if the highest office in the government remains vacant and a man of high prestige and wide political experience should refuse to take an active part in government affairs.

We have already too many people who have cried for resistance but preferred to stand on the sidelines with indifference and aloofness. Since the fateful night of Sept. 18, 1931, the officials, military and civilian, have charged the air with their cries of resistance. The farthest from the scene of war, the loudest will be the cry. At the present time, the word "resistance" has been on the lip of every people, and has long lost its very meaning.

64-204

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We, as a matter of fact, can not put up an effective resistance, unless every one of us will go to it. The burden of fighting our enemy does not fall upon any single general whose governed territory happens to be coveted by our enemy, but rests with every one of us. The indifference and aloofness on the part of many political leaders largely account for the failure of our past resistance, and also for the reason why the government has been hesitant in formulating a definite policy toward the present crisis. If Mr. Wang has a real mind to resist the Japanese, he should immediately resume his office and set a noble precedent for others to follow.

Shanghai, March 21, 1933.

Proposal to Delete Singapore High School from Register

A preposal by one of the members of the Executive Council of the Government of Singapore to delete the Singapore Chinese High School from the register of Chinese schools, under the School Registration Ordinance of Malaya, has provoked much anxiety among the committee members of the institution.

The Chinese Consul-General in Singapore and leading members of the Chinese community have petitioned the Governor for the avoidance of drastic measures against the school (which has suspended operations for the time being), as it is the only means whereby Chinese students in Malaya can receive a middle-grade education.

Inequality in Tariff Rates on Newsprint Paper

Revision of the Customs import duties on newsprint paper with the object of bringing uniformity in rates is requested by the Shanghai City Chamber of Commerce in a recent petition to the Ministry of Finance.

Paper packed in cases or bales is at present subject to a duty four times higher than the same paper packed in rolls. The petition requests that newsprint paper, irrespective of the mode of packing, be taxed at the same rate of 7.5 per cent *ad valorem*, both for the sake of fairness and for the benefit of the public.

Boatmen's Union Makes Appeal to Salt Administration

Pleading that over 300,000 boatmen will be thrown out of work if the Salt Administration replaces native junks with steam vessels for transportation purposes, six representatives of the Boatmen's Union from Hunan, Hupeh, Kiangsi and Anhwei provinces made an appeal to the Nanking authorities recently.

They asked that this measure be delayed and that when it is finally made it will be introduced gradually in order to safeguard the livelihood of the large population of junkmen. They also requested that the government purchase their junks at a reasonable price.

Nanking Supports Former Mukden Colleges

The Executive Yuan has instructed the Ministry of Finance to make appropriations from the National revenues for the support of the Northeastern University and the Northeastern College, formerly of Shenyang (Mukden), which are now functioning in Peiping. Monthly grants of $25,000 for the N. E. University and $8,000 for the N.E. College have been approved. Since the Shenyang (Mukden) outbreak on September 18, 1931, these institutions have been driven out of Manchuria. In order that their students, or those who had fled to Peiping, may continue with their studies, they have re-opened in temporary quarters at Peiping.

Shanghai Chinese Contribute Liberally for Relief in the North

Chinese in Shanghai remitted more than $3,000,000 for the assistance and relief of the Chinese volunteers and refugees in Manchuria and Jehol during the last few months, according to an estimate recently made by K. H. Ling, secretary-general of the Shanghai Bankers' Association. More than half of that sum was raised by the Shanghai Association for the Assistance of Volunteers in the Northeast, with the balance was collected by the Shanghai Association for the Relief of Northeastern Refugees.

The American Depression: As a Chinese Sees It

BY HUBERT S. LIANG* (梁士純)

IT WAS five years ago that this writer after some eight years of sojourn left the United States for China. What great changes have taken place in this country during this span of five years. Then America was at the peak of her prosperity. The American people on the whole were a happy, confident, optimistic and proud lot. Money was aplenty. Anybody who had any money at all went in for speculation in one form or another. Jobs were numerous, more than men could fill even at five or six dollars a day. Business of practically all sorts was making a profit. People spent with an abandon that was unparalled anywhere in the world. Even day laborers wore silk shirts which cost six or seven dollars each.

But what a different situation exists in this country today. Depression, Depression and Depression. One sees this word everywhere and hears it almost anywhere he happens to be; in the homes, on the streets, in the churches, in the theatres, in the train smokers and even on an American steamer which floats on the Pacific. Why, the captain of our steamer which flies the Stars and Stripes even gave us a hard-time or depression dinner party!

On the Pacific coast one doesn't seem to see or feel the effects of the depression so much as in the Middle West or East, albeit it is said that things are pretty bad under the surface even on the bountiful Pacific Coast. While it is difficult to obtain any exact figure on unemployment, the number of unemployed in this land is variously reported to be between 12,000,000 and 15,000,000. Idle people in large numbers are seen listlessly whiling their time away in the public squares, in the parks and on the street corners. Crowds of people, men and women, are always seen craning their necks at notices and bulletins about jobs at the entrances of employment agencies. "Hunger marchers" have been advancing upon the national capitol from different parts of the country.

The "White-Collared" Hard Hit

Jobs for the white-collared are exceedingly scarce these days. One college graduate told me on the Pacific Coast that out of his graduating class of 105 only two found employment and this was due to personal pull of one kind or another. He has had nothing to do, except for a period of two months when he worked with a construction gang, since his graduation in 1930. His case, he added, is fairly typical of the condition of the great majority of college graduates in this country during the past two or three years. Business concerns which formerly went in for college graduates before their graduation are now, he confided to me, devising ways and means of how to turn down their applications for jobs without hurting their feelings too much and, if possible, dampening their high spirit of enthusiasm. "What are you going to do about it?", I asked him. "Well", he replied naively and without a moment of hesitation, "I am going to vote for Norman Thomas and be a Socialist." This of course was before the presidential election.

The unprecedented unemployment situation has greatly swelled the rank and number of hoboes or hitch-hikers in this country. During the past few days I have been reading a series of articles in one of the leading metropolitan papers written by one of such numbers recounting his own personal experiences in hitch-hiking, stealing rides in freight cars, begging for meat and cheese butts from butcher shops, getting "free flops" in city lodging houses, prisons and Salvation Army stations. He is an educated New Yorker with a family of a wife and three children to support. He used to wear a white collar and worked in a newspaper office. Begging, which was rarely seen on the streets in America, is now almost a common occurrence, especially in the big cities.

Many of the largest and well-known hotels in Chicago, New York and other larger cities are in the hands of the receivers. Were it not for the prompt help of the federal government several of the leading railways in this country would have met with a similar fate. Bank failures have occurred in virtually all parts of this country, a rare phenomenon in the economic history of the United States. Stocks which were worth $250 per share four or five years ago have plunged to the unprecedented low level of $35.

Not a few stores on the fashionable Fifth Avenue which did a thriving business four or five years ago have had to liquidate. Signs of "We are selling out," "Bankrupt sale," and "Reorganization sale" meet one's eyes at almost every turn in that magnificent city of New York. Many apartment houses in some of the most popular residential districts in that metropolis are now empty. And it was not long ago the newspaper announced that the Roxy Theatre, the biggest movie palace in New York, has been losing $2,500 a week and its stock-holders and creditors were considering just what to do about it.

But, after all, it's the human aspect of the depression that is most distressing. I quote below a statement by Stuart Chase:

"In the early months of 1932, a squadron of five hundred investigators for the Emergency Relief Bureau of New York made a house to house survey of 6,304 needy families in the city. The following somber figures tabulate the results of the investigation:

5,122 families—81 percent of all lacked food.
5,516 families—88 percent were in arrears on rent.
2,387 families—38 percent lacked winter clothing.
Shoes were being stuffed with playing cards for soles; children were too cold and too shabby to go to school.
1,576 families—25 percent were seriously short of fuel; scraps were being collected on the streets.
3,976 families—63 percent were in arrears on life insurance premiums.
Most of the families were in debt, many for more than $500. The average debt per family was $224.
74 percent had borrowed from relatives or friends.
50 percent of those having life insurance had borrowed the full surrender value.
25 percent showed savings bank passbooks with the accounts closed.
50 percent were eking out existence on food tickets obtained irregularly from those relief organizations which do not investigate their cases.
1,500 families had sold or pawned furniture to buy food.

Distressed Families

A large percentage of the families reported discouragement, bitterness, and, in many cases, the breaking up of the home, as children could not be cared for." And as far as once can ascertain, the situation is not much changed in these early month of 1933.

What are the effects of this depression upon the American people as a whole that are noticeable to a foreigner who saw America in her prosperous days five or six years ago? The impressions that are outstanding in my mind are:

(1) On the whole the people are more friendly and polite than before. How much of this increased friendliness and politeness is due to the progress of the American people in this respect and how much due to a growing spirit of humility it is, of course, difficult to say.

(2) People are dominated by a fear complex as never before. Those who have money are afraid to lose and loosen their money and those who have jobs are afraid to lose their jobs. Result: unusually stiff sales resistance.

(3) People are less confident and optimistic than before. Formerly the great majority of the American people seemed to think that so far as American prosperity is concerned only the sky is the limit. But now they realize that there is a limit even to American prosperity long before it reaches the sky.

(4) People are more serious-minded. They think a little deeper into the meaning of life. Most of the churches report a larger attendance at their Sunday services than a few years ago.

(5) People are rapidly tending toward socialism, socialism of some kind. Not only the fresh and propertyless college graduates are in favor of socialism but matured and experienced men and women of wealth express the desire and the need for some kind of socialistic control in this country. The greatest surprise in the last

* H. H. Liang, author of the accompanying article, is the Executive Secretary of the General Division of the National Committee of Y.M.C.A.'s of China. Associated with David Z. T. Yui he is now on a good-will mission in the United States of America, having been in that country since October, 1932.

presidential election was not the Roosevelt landslide, but the unexpectedly small number of votes for the Socialist candidate, Norman Thomas. Unless the new administration can make an impressive showing for economic recovery it is already being predicted that Norman Thomas stands a mighty good chance of being elected the 33rd president of the United States of America.

What then is the way out for America's present economic impasse? Various groups of able and intelligent men are working at the problem. Some suggest the abolition of the price system while others advocate the re-stablization of the value of the dollar on a lower basis. Whatever measures may be adopted it seems important that ways and means should be found to bring about the following two conditions:

(1) A more equitable distribution of wealth and
(2) A lower standard of living.

There must be something radically wrong with an economic system which permits two percent of the population to possess 80 to 85 percent of the total national wealth while literally millions of people have to live near the so-called "submergence line", and which allows large quantities of wheat, potatoes, fruits etc. to rot or to be thrown into the river in one part of the country while in the other parts people in great numbers do not have enough to eat. The problem facing the United States is not so much one of over-production as maldistribution. Was it not Mencius who more than three thousand years ago uttered the significant remark: "What a nation should most fear is not poverty but maldistribution."

Even in the face of present economic depression the people in America except those who are in actual need for food, clothing or shelter, are on the whole living on too high a level as compared with that of the peoples of the other lands. In their present economic condition the peoples of the other countries simply cannot afford to have the American people live on such a high plane. Somehow the American people will have to learn how to come down in their scale of living and together with the rest of the world gradually go up the scale again. The American people have lived altogether an inflated life. The time has come that they must face the economic realities of the situation. Somehow they will have to learn that human happiness is not entirely dependent upon modern conveniences, luxuries and creature comforts. They must, in other words, learn how to be as happy with two rooms and a sink as with sixteen rooms and a marble bath.

Washington, D.C., March 1, 1933.

Anti-Red War in Kiangsi to Be Resumed

General Mo Hsi-teh, commander of the Kwangtung First Division, declared in an interview at Canton March 22, that Government forces are about to re-commenee operations against the Reds. The latter, under the notorious leaders, Chu Teh and Mao Che-tung, still have 60,000 men under their control and their main force is at present concentrated at Lichuan, East Kiangsi.

Japanese Alleged to Be Helping Reds in Central China

Japanese have been backing the communistic movements in various parts of China, the Southwestern authorities were told in a report from General Huang Tsan-pin, commander of the anti-communist troops in Kwangsi, on March 24.

Labor Troubles in Local Tobacco Factories

Labor trouble broke out in the B. A. T. Company's factory at Pootung March 24 and four workers were seriously wounded as the result of a free fight. When the foreman left the factory after office hours a group of workers approached him and hit him with an iron bar. Chu fell to the ground and drew out his revolver and fired into the air. However, before he could fire a second shot, the revolver was taken from him by one of the workers. The employees have appealed to the Bureau of Social Affairs to mediate in the dispute.

Nanyang Tobacco Company's Dispute Ended

The labor unrest at the Nanyang Brothers Tobacco Company was settled end of last week at a mediation meeting held at the Bureau of Social Affairs. The workers of the company agreed to withdraw their six demands for better treatment pending investigations by the local Tangpu.

A Russian's Impressions of Dr. W. W. Yen

(The following is a translation by Tsao Lien-en, recently in Berlin, of excerpts from a book in Russian by M. A. Aldanov containing his observations of the League Conference at Geneva).

At the other end of the table, the Chinese delegate, Dr. Yen, attentively follows Sato's speech, putting his hand on one of his ears. His expression shows nothing. But behind Dr. Yen, an extraordinarily tall Chinese with a horrible look stares at the Japanese. In fact, it is difficult to look at him. Such an expression of clear, sovereign contempt is in his face.

The Japanese delegate just enters upon the Chinese question. He proves that the country in which corruptible generals are conducting a civil war for many decades cannot be compared with other states. The Japanese have repeatedly tried to be on good terms with Chinese potentates, especially with Chang Tso-lin, but unfortunately up to this date nothing has come out of it. The Japanese Government would even now be prepared to stop military measures in the Shanghai district, if the commanders of the 19th Route Army should withdraw the troops twenty kilometers from that city. Here, finally, at the end of his speech Sato mentions for the first time the ultimatum. But he merely makes two references when he speaks so slowly and lifelessly that nobody can understand him.

Soft whisperings are heard in the hall. Paul Boncour touches the bell lightly.

It was the Chinese representative's turn now.

A True Orator

The Chinese delegate leaned back in his chair and began his speech. Suddenly, in spite of the general fatigue of the audience, it was clear from his first words that we had an important orator before us, the true orator of God's grace. Death-like silence, then, reigned in the hall.

He spoke English excellently without even stopping one second. Answering his opponent on all points, Dr. Yen, as a matter of course, improvised: he could under no circumstances foresee what he would have to say. However, his speech, which lasted twenty-five minutes, contained not a single useless word. Every sentence hit its aim with absolute accuracy. He did not exclaim grandiloquently as European public orators do, who expect applause. He did not speak loud, but every one of his words could be plainly heard in all corners of the spacious hall. Only the very best orators are allowed the luxury of such a speech,—so is Shaliapin singing without *tremolo* and without *fermato*. It was obvious that by improvising in a foreign language this man controlled both the idea, the voice and the intonation with equal perfection. Dr. Yen did not cry, he merely spoke a little louder during important parts of his speech. He did not strike on the table with his fist. Only on several occasions he leaned forward from his chair, looking sharply at Sato, laying his hands on the table, cynical smiles and gaps of silence punctuating his speech. The impression was overwhelming, "Who is that?" "who is this man?" it was subsequently asked amongst the public. The Chinese journalists brightened with smiles, seemed to declare that there was much expected of this man in China (although Dr Yen is not young: he looks as if he is 55 years old). "Our new Sun Yat-sen!" said someone of the delegation with full admiration. I do not know whether this is true, but when I was in Geneva I happened to hear one of the most remarkable political speeches in my life.

Japan Is Accused

I shall not repeat the contents of the speech,—that would be too long. I merely wish to state that the whole speech of the Chinese delegate was an accusation of Japan, that he was absolutely not particular in his expressions. I repeat only what is to the point. "Anarchy in China!" said Dr. Yen at the end of his speech, "but who supports it, and develops it intentionally,—no one else but you! Our generals are corruptible! Yes, unfortunately, many of them are corruptible. But it is you who corrupt them with the intention to disturb the restoration of order in our country! Chang Tso-lin! for God's sake, do not mention Chang Tso-lin, he was my friend. In his unfortunate moment Chang Tso-lin sold himself to you, as many others did, but afterwards he had scruples and then....." but here his murmuring voice could not be heard, "then, you sent murderers to him," he added at last.

As the American Paragraphers View the Far Eastern Situation

(The following paragraphs culled from newspapers in various parts of the United States, along with the accompanying cartoon, are reproduced herewith from recent issues of The Literary Digest or from the papers directly).

Japan will now enlighten the world with a description of how it feels to swipe a watermelon in self-defense.—*San Diego Union.*

⁂

Perhaps Japan needs the Great Wall for her defense.—*Cincinnati Times-Star.*

⁂

In the Far Eastern muddle everybody seems to be satisfied: The League of Nations has the Lytton Report and Japan has Manchuria.—*Nashville Southern Lumberman.*

⁂

Japan insists that the formation of the State of Manchukuo was spontaneous. How about the subsequent combustion?. — *Washington Post.*

⁂

Japan is learning that the hardest place to balance a budget is on the end of a sword.—*San Francisco Chronicle.*

⁂

Japan's service to international good-will seems to consist largely in preventing overproduction. — *San Diego Union.*

⁂

A Jap general warns us that Japs never retreat. Except from a position outlined in a treaty.—*Key West Citizen.*

⁂

"Japan Defies League; Stands Pat."—Head-line. And ready, no doubt, to tell it to the world over the mike.—*Chicago News.*

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Japan. "Now Apologize and I'll Be Satisfied"

—Morris for the George Matthew Adams Service

⁂

Japan, altho facing a huge deficit, has adopted the largest budget in the history of the nation. So here's another country that has become thoroughly westernized.—*Judge.*

⁂

If Japan wants to fight us, it will have to agree to hold the war in some country where the names are easier to pronounce.—*San Diego Union.*

⁂

The Japanese General asked the Chinese defenders of Shanhaikwan to apologize for putting up resistance. This reminds us that President Hoover has never exprest his regrets to his successor for his discourtesy in carrying those six States.—*The New Yorker.*

⁂

And now Japan has grabbed her hat and bolted out of the League of Nations. Which shows that the league is not such an important thing as some people fondly imagine. If a nation that belongs to the league gets what it wants then it stays in and shouts hurrah for the League of Nations. And if it doesn't get what it wants then it jumps up and runs out. And what of it? The League of Nations probably won't do anything except to announce to the world that Japan is no longer a member. Which will hardly be news either to Japan or the rest of the world. "I leave you forever," shrieks Japan, and the poor old league merely asks: "Is that a threat or a promise?" *Chicago Tribune.*

Japan says she is going into Jehol to keep the peace, but that may be a typographical error for pieces.—*Macon Telegraph.*

⁂

Chinese publicists are outwitting the enemy by announcing the recapture of cities that the Japs havent attacked yet.—*San Diego Union.*

⁂

It seems now that the Great Wall of China has also attacked poor little Japan.—*Dallas News.*

⁂

Ambidextrous Japan writes "O.K." with one hand while administering a "K.O." with the other.—*Louisville Times.*

⁂

Tokyo's about the only one still employing the earlier Notre Dame system of never playing a home game.—*Detroit News.*

⁂

The next time an American Admiral finds a backward little nation in the Pacific, he'll let it stay backward.—*Anderson (Ind.) Herald.*

⁂

As we understand it, the aim of the latest Japanese drive in Manchuria is to make the Chinese Army commander Hsu for peace.—*Chicago Daily News.*

⁂

Note to Japan: Those that live by the sword shall perish by the taxes.—*Palatka (Fla.) News.*

⁂

Talk about America not recognizing Manchukuo! A few more weeks of Japanese benevolence and the Manchurians won't be able to recognize it.—*Dunbar's Weekly (Phoenix).*

⁂

A gentleman wants to know what Japan proposes to take from China. We are postponing an answer pending a careful check on just what China has.—*Nashville Banner.*

⁂

It is said the Chinese, fearing the Jap invasion, have removed priceless treasures from the Forbidden City and sent them to Shanghai for safe keeping. Now the Japanese are likely to demand another apology for that insinuation. —*Philadelphia Inquirer.*

⁂

Yusuke Matsuoke told the League of Nations that Japan regarded a boycott as worse than a military attack, to which Dr. Wellington Koo replied that if that were true, China would much prefer that Japan boycott her goods than invade her country with arms. And, as we see it, the doc won that one.—*Macon Telegraph.*

⁂

The Japs have warned the Chinese to expect serious trouble if they dare to assume an aggressive attitude in Jehol. An "aggressive attitude," according to the Japs, would probably consist of (1) Chinese soldier looking at his watch; (2) Chinese old woman picking up a stick (she probably would use it to beat the Jap army), and (3) Chinese idol frowning in the direction of the east because Japan is in that direction. And if none of those things happen a Chinese pig might grunt derisively when a Jap band was playing the national anthem. Oh, naturally, that would be a most aggressive attitude and the Japs would have to take action.—*Chicago Tribune.*

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"Mr. Edward Bing-Shuey Lee's ONE YEAR OF THE JAPAN-CHINA UNDECLARED WAR is a faithful record, which neither the statesman concerned with world peace nor the student of international affairs can afford to overlook."—DR. V. K. WELLINGTON KOO, *China's Delegate at Geneva.*

APPENDIXES

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China Should Encourage Help from Over-Seas Chinese

(Extracts from an article by "An Overseas Chinese" in the Canton Daily Sun.)

China must look to her overseas sons for aid in her endeavor to build up a strong republic. In her transitional period when experienced and educated men are required, she can look to no better source than America and Hawaii. The foreign-born Chinese have acquired a western sense of duty and initiative, so, coupled with their education and training they would be invaluable to China.

If the government would offer positions to those who are willing to return to China there would be an unlimited number of talented and able overseas Chinese who would be glad to offer their services. As it is now, when an overseas Chinese returns to China he is unknown, and unless he has friends he will have a difficult time to find anything to do. Furthermore there are too much party politics and various cliques to overcome. When an official gets into power he will hire his relatives, schoolmates or personal friends no matter whether they are qualified or not. The only remedy to this deplorable situation is to have a civil service under the merit system patterned after England. In this way capable men may be retained and induced to take up government positions. As it is now, capable men do not care to enter government services because of the uncertainty of their positions. No one would like to return to a country where they have no friends or political pull, to accept a position which they are not positive of holding.

"President Madison" Sinks in Seattle Dock

The 14,000-ton Dollar liner *President Madison* suddenly capsized at her mooring dock in Seattle March 24. The cause of the disaster is unknown. All passengers had safely gone ashore. The water came streaming in through an aperture in the ship's hull. All workmen except five escaped; two Chinese swam ashore after crawling through a porthole.

Nazis Are Charged with Torturing Jewish and Catholic Prisoners

The Nazi campaign in Germany against both Jews and Roman Catholics, somewhat on the same line as those employed several years ago in the United States by the Ku Klux Klan, has brought charges from various prominent writers that the Nazis are not only discriminating against Jews and Catholics (the former in particular) but are torturing them in prison. Although some of the stories may be exaggerated it seems that there was sufficient truth in the charges to arouse the wrath of Jews all over the world, particularly in the United States, where the Jewish communities are urging a boycott against Germany.

The agitation generally, particularly the outrages against Jews in Germany, have in the meantime mostly subsided, and the American merchants in Germany generally deprecate a resort to boycotting Germany. The U. S. Government has decided not to make any official protest concerning the matter.

Constitution-Drafting Committee Holds Meeting

The question of the proposed National People's Congress (*Kuo-Min-Ta-Hui*) was discussed at the 7th regular meeting of the Constitution-Drafting Committee of the Legislative Yuan held under the chairmanship of President Sun Fo at Nanking March 23.

As the matter is closely related to the system of central government, it was decided that the two questions be referred to the 3rd and 4th sub-committees for joint discussion and study.

Seats for Women Delegates in Assembly

That an appropriate number of seats must be allocated to women delegates in the proposed National People's Assembly (*Kuo-Min-Tsan-Cheng-Hui*)—which will function from October as a transitionary organ during the remainder of the Period of Political Tutelage—was the opinion recently expressed by Miss Wang Shao-ying, women member of the Legislative Yuan.

Chino-Italian Love Drama

WHAT promised to be one of the most dramatic international love affairs and a sensational lawsuit, involving an Oriental beauty of social fame and an Occidental Youth of Italian birth, has abruptly fizzled out to the keen disappointment of the sensation seekers in Shanghai who had virtually "booked" their seats in the Court rooms of the Shanghai Special District Court to enjoy the thrilling accounts of the erotic adventures of the parties before the Woolsack as a diversion to the monotonous war news from the Jehol front. The parties have reached a compromise and speedily taken out the case from the Court hands. As a record-breaking event in the Court annals of love difficulties, the case presents an unusual feature in that the lady involved has been accused of seducing the boy by the latter's father, while the normal procedure in such a case hitherto has been just the reverse. This feature combined with the different nationalities of the parties involved and the social prominence of the young lady has made the case a first-class sensation to the Shanghai public. The immediate cause of the affair which gave rise to the case before the Court was an ugly motor-car accident in which the Italian boy knocked down three Japanese patrolmen and is now facing a charge at the Italian Consular Court in Shanghai with a heavy bill for damages. The father of the youth, after having failed to induce the girl's family to cash the bill by persuasion or intimidation, had brought a lawsuit in the Special District Court against the girl, charging her with seducing his son and vitiating his youth through illegitimate relations.

With these preliminaries, let us proceed to enliven the case by supplying full names of its participants. The accused lady is none other than the well-known Miss Hsueh Ching-yuan, daughter of a wealthy Cantonese merchant and sister-in-law of the famous Cantonese aviator, General Chang Huai-chung, famed as "China's Lindberg." The alleged seduced boy is an Italian by the name of Joseph, son of L. T. Jovino, manager of an Italian Shipping Company in Shanghai. The lady in question is said to have already passed her teens and is now verging on her thirties, but as yet has not acquired a mate to keep her lone company. Born of a rich family, she received a good education in her youth and is credited with possessing an excellent knowledge of both Chinese and English. She had already earned the title of a "Social Flower," while she was in Hongkong and Macao. After she came to Shanghai a year ago, her social prominence jumped by leaps and bounds and soon raised her to the status of a "Social Star" of international renown in Shanghai.

An Eurasian-Italian

Young Jovino is, according to some Chinese papers, a Eurasian, his mother being a Cantonese woman married to the Italian. It is claimed in the petition filled by his father in the Special District Court that he is still a minor and reached his 18th birthday only on the 18th of this month. He was studying in a local school.

The Jovinos and the Hsueh family have known each other for quite some years and at one time, they lived next door at Macao. It seems that the two families are related to each other in some way. For business reasons, the Jovinos soon left Macao and came to live at Shanghai. By a rather unexpected coincidence, the Hsueh family soon followed suit and also transferred its residence from the Portuguese colony to Shanghai. The friendliness existing between Young Jovino and Miss Hsueh, initiated at the Southern Port and happily renewed here under a different atmosphere after some months of separation, perhaps, involuntary, suddenly became more intense than ever before and soon matured into intimacy. Before the unfortunate affair occured, the two were together almost every day. They were often seen to be going out arm in arm and spending long hours in Shanghai's leading cabarets, dancing and feasting, enjoying life to the brim. Joseph's parents, considering such matters as mere forms of "social intercourse," it was said in the petition, made no attempt to restrain his activities and entertained not the slightest idea that anything very wrong could have happened to their boy with a lady who is almost twice his age. But, alleged the petition, Miss Hsueh, burning with love and affection for minor Joseph, exerted all her efforts to seduce him. The boy, deep in the sea of sweet romance, the petition says, lavished his entire attention on her and soon completely forsook his study finally resulting in his expulsion from his school. Under one excuse or another, the petition goes on, Young Joseph insisted on going out in the evenings and joined Miss Hsueh's company. On Feb. 25, at midnight, amidst raining and snowing, Joseph and Miss Hsueh were once more in each other's company enjoying a pleasure ride on Yangtszepoo Road, driving in Miss Hsueh's private motor car. Joseph was in control of the machine, but proved no expert driver. Either by sheer incompetence or through recklessness, the car came into collision with three Japanese soldiers, injuring the trio seriously. The Japanese, on discovering that the driver was an Italian, brought an action in the Italian Consular Court in Shanghai against young Jovino and attached a heavy bill for damages. The case is now pending in the Italian Court for settlement. The petition charged that such losses as the petitioner as father of Joseph would have to the responsible for, have been incurred directly through the relations of his son with Miss Hsueh; besides demanding that the Hsueh family should be responsible, he charged Miss Hsueh with violation of Art. 257 of Chinese Criminal Code by seducing his son.

The Lady in the Case

When Joseph's father had already instituted legal action against her in the Special District Court, Miss Hsueh was still in complete ignorance of the affair. On March 18, which was Joseph's 18th birthday, the ardent lady, ever glowing with her affection for her Italian friend, is said to have made a new fine suit for Joseph as a birthday gift and personally presented it to him at his home. She was almost shocked, when informed that a criminal action of seduction against her was pending in the Shanghai District Court.

The attorney for Miss Hsueh has denied all the allegations of petitioner Jovino and characterised his statements as fabrications designed to slander the good name of his lady client. It was alleged that the motive of the plaintiff in instituting action against Miss Hsueh was due to a grudge against the Hsueh family in money matters. The plaintiff it is said, used to borrow big sums from the Hsuehs and even up to now, still owes them a debt of $500. It is said that shortly after the occurrence of the car accident in Yangtsepoo Road, Jovino came to the Hsueh family and demanded that the latter should be responsible for the indemnification of the three injured Japanese soldiers. If they should decline to assume such reponsibility, he threatened he would proceed to sue Miss Hsueh in Court and charge her with seduction of his son. This was the reason for bringing the case, according to counsel for the lady defendant.

It is understood that the parties to the case, acting through their respective attorneys, have already arrived at a compromise and withdrawn the case from the Court hands for private settlement. It is expected that Mr. Jovino will shortly insert a public announcement in Chinese papers, retracting his allegations against Miss Hsueh, thus bringing the case to a close.

Wang Ku-ming Supervises Northern Finances Under T. V. Soong's Directions

Wang Ku-ming, former minister of finance, now vice-president of the newly-formed North China Finance Committee, was among those who proceeded to Paoting to meet General Chiang Kai-shek March 19. The North China Finance Committee was recently organized by order of the national government to facilitate the collection of government taxes in North China. T. V. Soong, minister of finance, was concurrently appointed president of the committee, while Mr. Wang has been vested with full responsibility to carry out the government's orders in dealing with financial problems in North China.

Japanese Army to Increase Mechanization

The Japanese newspapers forecast an important reorganization feature in the Japanese Army based on recent experience in Jehol. A prominent feature will be the further mechanization of transport, recent operations having shown the great advantage of motor cars and trucks. A certain increase is also to be made in the cavalry strength.

Chinese Christians Make Appeal to America and England

The Chinese Christian National Salvation Association of Shanghai, headed by Dr. C. T. Wang, former Foreign Minister, S. Z. Zau, ex-vice-Minister of Industry, General Chang Chi-kiang, Dr. T. H. Lee, Miss S. Z. Ting and Dr. C. Y. Cheng, recently sent a telegram to Christian organizations in New York and London, appealing for moral condemnation against Japanese military operations in Manchuria and Jehol. The appeal asked Christians in the west to give effect to the resolutions of the League and other organizations working for the world peace and further requested earnest prayer on the behalf of China during the period of national crisis.

Tokyo Authorities Raid Chinese Y. M. C. A.

The police at Tokyo raided the Chinese Y.M.C.A. in that city in the early morning of March 16 and arrested 17 Chinese, including some students. According to the police, the arrested Chinese were attempting to start an anti-Japanese movement in conjunction with the Japanese communists; under the guise of a flood relief organization they organized a national salvation society of China in December last and raised funds for the Chinese volunteer troops in Manchuria.

Canton's Economic Progress

Despite the feeling of uncertainty arising from the tense situation in North China and despite the effect of the world economic depression on trade and industries, *Reuter* reports that the reconstruction of Canton is steadily progressing. Statistics obtained from the Bureau of Public Works reveal that during the month of February 380 building permits were issued, 120 of which were for buildings on vacant land. Liu Chi-wen, the Mayor of Canton, recently announced that the three-year Plan for the reconstruction of Canton City is being carried out and many of the reconstructional projects, including the Pearl River Bridge, have been completed according to schedule.

Foreign Newspapers Must Register in Order to Get Cheap Postage Rates

In an order to the Directorate-General of Posts, the Ministry of Communications recently announced that foreign newspapers and periodicals should not be accepted for delivery at 4th class (newspaper) rates unless duly registered with the Ministry of Interior as required by the Government. It is stated that this ruling was announced by the Executive Yuan some time ago and that the Ministry of Foreign Affairs has duly notified foreign diplomatic and consular representatives that registration was necessary.

Sale of Navy Hospital at Tientsin to Be Annulled

Admiral Chen Shou-kwang, the Minister of the Navy, announced at Nanking March 27 that the National Government is unable to recognize as valid the sale of the naval hospital in the French Concession, Tientsin, to foreign interests by General Chang Hsueh-min, former mayor of Tientsin. Admiral Chen stated that the Ministry of the Navy has already petitioned the Executive Yuan to take appropriate measures.

Chinese Ministries Discuss Sino-Japanese Tariff Agreement Renewal

In view of the imminent expiration of the Sino-Japanese Tariff Agreement, which falls due on May 6, the Ministries of Foreign Affairs, Industry and Finance have been conferring for the discussion of measures for the abolition or continuation of the Treaty. The *China Times* intimates that in spite of the repeated demands of the public to abolish the Treaty after its expiration, the Government is still considering the matter.

Chinese Air Lottery Bonds to Be Issued April 1

A total of $5,000,000 worth of lottery bonds to secure funds for the construction of airways throughout China will be floated from April 1 by the Ministry of Finance. A special office to print the bonds and make other preparations in this connection has been established in Shanghai in charge of Cheng Lai, director of the Loans Administration of the Ministry of Finance.

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Present and Future of Jehol Question Viewed Through Japanese Eyes

(By the Review's Tokyo Correspondent)

(Translations from various Japanese publications)

FOR a few weeks news from the Jehol front has been given prominence in practically all Japanese dailies, and leading Tokyo and Osaka papers have been issuing extras of mixed news and photographs relative to the conditions and progress of the engagement. Nearly all the publications dealing with political, social and economic questions published articles pertaining to the province of Jehol, but they were either the history and geography of the territory, customs and manners of the natives or the natives travellers' reports. The pamphlet distributed by the *Tokyo Nichi Nichi* and *Osaka Mainichi*, namely, "Why must we fight in Jehol?," as translated below is a model example of the way in which the Jehol question is discussed in various publications.

Why Must We Fight in Jehol?

(Pamphlet distributed by the Tokyo Nichi Nichi and Osaka Mainichi)

For the faithful discharge of her responsibility arising from the stipulations of the Japan-Manchukuo protocol, Japan must be held responsible for any lack of national defence of the new state. That the country takes military action in Manchuria is not without reason; for otherwise the country would be draining the already scanty national revenue for nothing. In less than a few years the national debt will reach ten billions. It is therefore a pressing need for the country to see that peace is firmly established and to let the military campaign at an extraordinary time trace its way back to its original normalcy in time of peace. Contrary to our expectations, however, perfect peace does not yet reign over the whole of the new state's territory. From the viewpoint of the program laid out at the time of founding the new state and from national policy it is incumbent upon Japan and Manchukuo to accomplish the suppression of the province of Jehol. Jehol Province is evidently a part of Manchukuo. Therefore as things stand Manchukuo's territorial right is being violated by China. These considerations compel Manchukuo and Japan to stand up also to safeguard righteousness; we can never afford to leave the existing deplorable state of the province as it is; subjugation is an inevitable consequence.

No doubt the League did not remain unconcerned about the ways and means to lead the Sino-Japanese dispute into conciliation, but having little knowledge of the district in question and seeing the situation might unavoidably culminate in the despatch of Japan-Manchukuo troops into Jehol Province, it abandoned the hope of inventing conciliatory means. Whatever may be the view and decision of the League, there ought to be no change in the attitude of Manchukuo's restoring peace in its own territory. The punitive expedition into Jehol Province cannot but bring considerable influence to bear upon the Nanking Government, and the punitive expedition into Jehol may ultimately develop an international question. It is but natural that the world's attention is now being focused on the southern border of Manchukuo.

Jehol Question Weighs Heavily on the League

(Pamphlet published by the Tokyo Nichi Nichi and the Osaka Mainichi)

Strange to say the clear, simple question of Jehol province fails to make itself understood by the League. At the very moment of giving a final solution to the Manchurian question the attitude of the League was suddenly hardened and the situation developed a pessimistic scene. According to information from Geneva at that time, the then impending question of sending punitive troops to Jehol was the only factor that made the League assume a strong attitude.

As in the past the leadership of the League this time remained in the hand of Britain; it was Sir John Simon that actually took the reins of the diplomacy of the institution. It was Sir John who, sympathizing with the difficult situation in which Japan stood, manoeuvred in one way or another to find means for pacific conciliation between the two disputing nations; whereas, it was no other than this very Foreign Minister that suddenly turned his back on the country for which he had shown sympathy. Without reason, he could not have done so.

As the Jehol question drew closer to the last scene, China launched a wholesale propaganda that the Japanese troops had been prepared to invade Jehol and to pounce upon the Peiping-Tientsin district thereby to strangle the country. This created a sensation in the League circle because, we take it, both Britain and America have in North China no small interest, which they feared could never escape being sacrificed in case of the district being involved in the strife. France pursuing the course adopted by Sir John, the whole situation in the League effected a sudden change in so far as the Sino-Japanese question was concerned. As far as the Jehol question was concerned the following two factors are considered as having been the cause which brought about such a dramatic change in the League's attitude:

1. Japan-Manchukuo troops' advance into Jehol district.
2. The aftermath of the war may prove a peace disturber in North China, especially Peiping-Tientsin district.

It is a matter of course that Manchukuo should assume the task of suppressing the mutiny of Gen. Tang Yu-lin in Jehol which is part of its own. The general had been appointed vice-President of the Advisory Council of the new state and Governor of Jehol until February of this year when he was deprived of all these offices. In other words, there is no wonder whatever in Manchukuo's trying to suppress the insurrection in its own territory. Ma Chan-shan was finished up in Heilungkiang, while Su Ping-wen was chased out of the country at the time he rose in revolt in Hulumbair, which developed the Manchuli incident; why then, does the same practice meet with criticism this time? Why dares the League dare to single out this particular expedition, when not a word of intervention was uttered at the time of the expeditions to Heilungkiang and Hulumbair? Nothing is more contradictory.

The Leagae considers the province of Jehol as outside the jurisdiction of Manchukuo, when the district forms an integral part of the new state in the eyes of Manchukuo and Japan. This glaring lack of recognition on the part of the League is the product of the Lytton report. The Lytton report commits blunders at several points and this is an example of the most outstanding kind of them.

What Gen. Araki Says about Jehol

It is time for China to come to her senses.—The object of the Jehol expedition having come to an end with the successful suppression of rebels, War Minister Gen. Araki expressed his idea pertaining to the future of Sino-Japanese relations as follows: "Having finished sweeping the rebels out of Jehol province and occupied important strategic points of the Great Wall, the military actions, within Jehol Province are to be regarded as having been brought to a conclusion. It is feared that in consequence of Chang's downfall and his influence in Jehol having withered away, no small trouble may ensue in connection with who may succeed the General. We hope for the speedy restoration of peace in China and as a step to this end we are desirous of seeing the termination of armed fighting within the country. It is already one year and-a-half since the outbreak of the Manchurian incident, during which time, we hope, China has come to realize the defects of her country to function as a perfect state, the folly of depending too much upon others, and the advisability of solving Oriental affairs among Orientals just as European questions are to be disposed of by the hands of Europeans. In case, as we trust, China comes to realize her own standpoint and emerges as a friendly neighbor, we believe that there will develop a chance for establishing friendly intercourse leading to direct negotiations, although it is not in my mind that an alliance or union must be formed between the two nations. —*Tokyo Nichi Nichi*, March 8).

No further advance necessary.—At the afternoon session of the Diet on the 16th Gen. Araki delivered a speech in regard to the situation in Jehol as follows: "The Kuantung army has accomplished its work of sweeping away rebels and occupied the whole stretch of the Great Wall bordering Manchukuo. What is required of it next is the restoration of peace by finishing up the remnants of the malcontents. Judging from the pro-Japanese attitude of the inhabitants we are pretty sure that the peace-regaining job of the Kuantung army may cause little trouble. As regards the situation in North China we desire not to develop them further, provided no

challenge is made on the part of the Chinese side. In surveying the general conditions of Manchukuo we are contented to recognize that the peace maintenance campaign is making steady progress although peace-disturbing elements have not yet been completely removed. We are indeed happy to think that this is a beacon-light showing the way to eternal peace in the East. (*Tokyo Asahi, March 17.*)

China will bury arms, taking Japan's suggestion—At the forenoon session of the House of Peers Gen. Araki made the same speech as that given to the House of Representatives yesterday. After that he answered the questions put to him by Mr. Hijikata of a proletarian party.

Mr. Hijikata: "I am afraid that no small number of our men and officers will be sacrificed due to lack of geographical knowledge on the part of our troops who are in defence work at the Great Wall. To save the loss of many souls, is it not advisable to advance further inside the Wall if so compelled, clarifying here and abroad the motive of the expedition?"

Gen. Araki: "I am grateful for your apprehension shown toward the possible loss of precious lives of soldiers due to their being unacquainted with the district. The Government, however, is duty bound to direct efforts toward minimizing general unrest and realizing the Sino-Japanese cooperation while mindful of peace promotion for the world. As regards holding out long in defence work, the Kuantung army has had too much experience to require our apprehension. We trust that before long China will come to understand our motives. Although it seems that the Chinese side is presenting against its will a bold front in North China in consideration of the Peiping-Tientsin district, it will stop military action in the near future in response to our intention, which is being communicated. If, however, the suggestion be denied by the Chinese side we shall be compelled to take appropriate measures in cooperation with the Foreign Office."—(*Tokyo Nichi Nichi*, March 18.)

Crossing the Wall Depends Upon Circumstances

Having ascertained that Japan-Manchukuo troops would not move out of the Great Wall, the Chinese troops are daily whetting their challenging attitude. As is characteristic of China that unfounded propaganda is being conducted and groundless rumors are circulated in regard to the tide of the battle front, all these in order to shift the internal situation to their favor. Unfortunately it is nevertheless true that severe battles are now being fought at the Great Wall and no small number of soldiers are being sacrificed. It is inevitable from military strategy that an advance across the Great Wall is to be made as a means to assure the district and wipe out the forces in the neigborhood under the existing circumstances. The motive of the enemy's putting up strong resistance so abruptly when the object of the expedition has nearly been attained, is not quite clear, but this much is an unmistakable fact that the strong front put up by the Chinese troops at the Great Wall is the result of their having ascertained Japan's intention not to step inside the Great Wall. Judging from this fact the thoroughgoing suppression of the enemy in the neigboring district of the Great Wall is a matter of pressing need.—(*Tokyo Asahi, March 19*)

Relations of North China with Powers

Powers give advice to China.—Lo Wen-kan upon reaching Peiping had several occasions to see the British and French Ministers in that city. At one of his interviews with them Lo Wen-kan exchanged opinions as follows: They admonished, "To assume further strong front against Japan is to invite a chance of self-destruction of China herself. At this juncture it is most advisable for China to find means to improve her relations with Japan, and thus to open up a new field for the country to emerge to. Remember China's anti-Japanese drives greatly inconvenience the Powers interested. Think why the League has washed its hands off the Sino-Japanese dispute and how both America and Russia have remained apathetic thereafter. If the Powers are to be further molested by the attitude of China, they may dare to stand up and interfere in her domestic politics." Against this outspoken advice of the Powers, Lo Wen-kan rejoined, "We have our own patriotism as Chinese people; the question is the maintenance of national prestige and honor. We do not grudge losing fortunes, positions, lives and everything in order to save the face of the country. The anti-Japanese drive you mention is indeed nothing more than the means to attain this end. The Chinese Government accordingly will follow a slow but steady way to tide over the present difficulties, and will thereby be able to hope for the natural extinction of the question of responsibility." Besides, the diplomatic corps of Nanking, it is reported, reproving the Nanking Government's Japan policy remarked in the following vein, "The expectation that, since by keeping up the present attitude against China, Japan will find herself growing weaker and weaker, China is but to go on with her strong resistance as hitherto, is a grave misunderstanding of the actual situation. Japan's recent trade with over-seas countries shows a great stride, save that with China which registers some decline. Against this favorable trade balance on the part of Japan, remittances from overseas Chinese are growing smaller in amount, their activities being gradually replaced by those of the Japanese. It is not Japan but China herself that is on the way to decline."—(*Tokyo Nichi Nichi, March 17.*)

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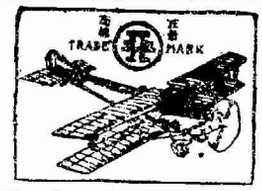

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Men and Events

Dr. Inazo Nitobe, former Assistant Secretary General of the League of Nations, returned to Japan from America March 22.

The U. S. Senate has confirmed the appointment of Robert Bingham, Louisville publisher, as Ambassador to Great Britain.

A warning was issued recently by the National Government to the various Japanese news agencies against dissemination of false reports.

Chotaro Kiyon, Consul at Chientao, Fengtien Province, has been appointed by the Japanese Foreign Office to take the post of consul at Chihfeng, (Jehol).

Seventeen women students have successfully passed the entrance examinations of the Peiping Police College. Altogether 56 candidates sat for the examinations.

John B. Penniston will address the Royal Asiatic Society (North China Branch) on "The Origin of Loess" April 6 at 5.30 p.m. at 6 Museum Road, Shanghai.

India has granted a French air company the right to establish a service to Hongkong. A Netherlands air company will inaugurate a service between India and Japan.

The Japanese Red Cross and various Japanese cities have contributed a total of 10 000 yen to the American Red Cross funds for the releif of California earthquake sufferers.

Fifteen persons were killed in an explosion which wrecked the Norwegian steamer *Hinnoy*, on her way to China from Antwerp at a spot 300 miles west of Colombo March 17.

The military medal, the highest French military decoration for services rendered during the Great War, has been awarded to R. d'Auxion de Ruffe, member of the French Bar in Shanghai.

The Peiping Institute of History and Philology and the Institute of Psychology, both subordinate organs of the Academia Sinica, are to be removed to Shanghai from Peiping. No definite date, however, has been set.

Bandits operating in the Hengtaohotze district in North Manchuria recently kidnapped five Russians and a number of Chinese residents of Harbin. Chinese Eastern Railway employees are receiving threatening letters.

As a result the resumption of diplomatic relations between China and Soviet Russia, large consignments of Soviet commodities are being imported from Vladivostok, principally petroleum, wheat, lumber and cotton goods. Tea is, however, practially the only export from China to Russia.

Construction of a huge shoe factory in Western Siberia to produce 6,500,000 pairs of shoes a year has been decided upon by the Soviet Commissariat of Light Industry. Building operations are to commence during this year.

Negotiations for a loan of $2,500,000 for the completion of the Hangchow-Kiangshan Railway are reported to have been successfully concluded between Shanghai bankers and Tu Chen-yuan, managing-director of the Railway recently.

Dr. H. H. Kung, the former Minister of Industries, on his arrival at Nanking from Peiping March 24, paid a high tribute to the excellent morale of General Sung Cheh-yuan's troops at Hsifengkow. Dr. Kung has since returned to Shanghai.

Eighteen members of the Chinese Relief Society were arrested by the Tokyo police recently on suspicion that by raising money from Chinese students in Tokyo, they had remitted funds amounting to Yen 400 to anti-Japanese bodies in China.

A report which appeared in Shanghai newspapers last week alleging that a mutiny took place last month in the 55th Regiment of the Red Army stationed in Dauria, was officially characterized by Moscow March 23 as a malicious and groundless invention.

The trial on charges of revealing official secrets of Lieutenant Bailiee-Stewart of the Seaforth Highlanders in London this and last week revealed that he had become infatuated with a Germam woman who had advanced him various considerable sums of money.

Fifty were killed and seventy injured when a passenger train which was standing stationary at a point between Chengchiatun and Supingkai (managed by the South Manchuria Railway) was hit from the rear by a freight train travelling at full speed March 16.

Gertrude Cheney of New Haven, Connecticut, and Joseph Hamilton of Alliance, Ohio, two seniors of Oberlin College, have been named for teaching positions at Oberlin-in-Shansi, an educational center established by Oberlin pioneers in Shansi province, near Taku, 600 miles west of Peiping.

Dr. C. T. Wang, former Minister of Foreign Affairs, returned to Shanghai March 25 from the north.

A daughter was born in London Mar. 21 to Mrs. Cheng, sister of Henry Pu Yi, regent of Manchuria.

The Chinese community at Singapore has sent a protest to Nanking against a proposed increase of postage rates.

The death recently occurred of the Rt. Rev. C. M. F. de Gorostarzu, Catholic Bishop of Yunnan and head there of the Foreign Missions of Paris.

Mr. and Mrs. C. A. Burch have returned to Nantungchow where they are connected with the Christian Hospital, after an absence abroad of three years.

The Report of the China Agency of the British and Foreign Bible Society for the year ending December 31, 1932, shows that 39,291 Bibles were circulated in China during the year.

General Chang Hsueh-ming, younger brother of Marshal Chang Hsueh-liang, formerly mayor of Tientsin, has arrived in Shanghai, and according to the Chinese press, he will accompany the Young Marshal to Europe in the near future.

With a view to improving navigation conditions in the Upper Yangtsze six tons of explosives were used in blasting operations last week in the Kunglingtan rapids, about 35 miles above Ichang. The work is being done by the Chinese Customs with the advice of H. R. Dixon, an experienced mining engineer.

United States total trade with the Far East during 1932 amounted to G.$679,330,000 compared with G $995,230,000 for 1931, according to figures recently published by the Department of Commerce at Washington. Exports to the whole of China during 1932 totaled $67,052,000 contrasted with $115,112,000 for the previous year, a loss of 41.7 per cent.

Two more passenger boats have been added to the Osaka-Dairen line by the Osaka Shosen Kaisha in order to accelerate the service between Japan and Manchuria. The Japanese Government has refused the request of the S. M. R. subsidiary line (D.K.K.) to engage in this service with ships recently purchased in England.

Following the decision of the Central Government not to participate officially in the Chicago exposition, the Cantonese Committee is returning to the various owners the display of jades and ivories that were to form part of the exposition. The Committee will, nevertheless, give facilities to those who decide to exhibit their wares as private individuals.

Four Indians concerned in an affray in Hankow, and sentenced to one year's imprisonment and deportation, were successful in the British Full Court at Shanghai last week in an appeal against the deportation order. Providing a personal security of $500, and two further securities of $520 each, are provided, they will be allowed to remain here, bound over to be of good behavior.

Ting Shih-yuan, "Manchukuo" Minister to Japan, was a passenger from Europe on his way to Japan on the Japanese steamer *Hatuna Maru* last week. When the boat touched at Shanghai, Mr. Ting did not come ashore. Japanese newspaper men, among others, were unable to get in touch with him. Local Japanese officials are, however, said to have visited him on board ship.

The death occurred in Peiping March 22, at the age of 53, of Albert Nachbaur, editor of *Le Journal de Pekin*, from pneumonia contracted during a trip into Jehol province to cover the hostilities there. M. Nachbaur was one of the few correspondents who ventured into the contested territory. His reports appeared in his own paper, and were carried abroad by the *Havas News Agency*.

The annual smoker of the General Frederick Townsend Ward Post No. 1 of the American Legion was held at the American Club, Shanghai, March 22. Colonel Fred D. Kilgore, newly arrived commander of the U. S. Fourth Marine Corps and Lieut.-Colonel E. P. Moses were present. C. S. Franklin presided. Colonel W. B. B. Thoms, commandant of the Shanghai Volunteer Corps, gave an account of the Gallipoli campaign.

Akira Ariyoshi, Japanese Minister to China departed for Tokyo March 24 to report to Count Uchida on the Chinese political situation, particularly that following the resignation of Marshal Chang Hsueh-liang and the return of Wang Ching-wei. Before sailing for Japan, Mr. Ariyoshi, called on General Chiang Tso-pin, Chinese minister to Tokyo, in Shanghai. It is understood one of the subjects discussed was the possibility of direct negotiations between the two countries for a settlement of pending disputes.

The death occurred in London March 27 at the age of 55 of Dr. Henry Theodore Hodgkin, secretary of the National Christian Council of China from 1922 to 1929.

An election will be held by the Council of the United Russian Public Organizations of Shanghai April 30 to elect a successor to A. M. Kotenev, who recently resigned as chairman.

Othmar Stempfl, a Franciscan priest of Tyrolese nationality, was recently killed by bandits in Hunan province. He was attached to the Apostolic Prefecture of Yungchow.

The Far Eastern office of the Rockefeller Foundation, formerly in Peiping, has been moved to 170 Kiangse Road, Shanghai, according to a recent announcement made by S. M. Gunn, vice president.

Douglas C. H. Mellon, of the Shanghai office of Marconi Wireless Telegraph Company and the Chinese National Wireless Company, is sponsoring a radio club for boys in the Foreign Y.M.C.A. Boys' Division.

The Ministry of Communications announces that all outstanding shares of the China Merchants S. N. Company which were still in the hands of private shareholders have now been turned in and paid for by the Government.

P. H. Bordwell, assistant general manager of the Robert Dollar Company, has returned to Shanghai after several weeks spent at the home office in San Francisco. Mr. Bordwell was accompanied by Mrs. Bordwell.

A Chinese army plane crashed on the summit of Paiyun Shan (White Cloud Mountain) in the Canton area March 21. One of the two occupants was burned to death while the other is missing. The plane was a total wreck.

It has been arranged through the British Consulate that A. C. and J. Martin, local British residents, will pay a total of $ 550 to two Chinese injured by them while on a shooting trip near Pinghu, Kiangsu province, October 30, 1931.

The Shanghai Municipal Council has issued a Register of medical practitioners, dentists and veterinary surgeons for 1933. Registration of practitioners having extraterritorial rights is subject to the approval of consul concerned; in other cases subject to the approval of the Department of Health of the National Government.

An order for a new trial for Thomas J. Mooney, who is serving a sentence of life imprisonment in San Francisco in connection with the bombing of the Preparedness Day parade in that city on July 22, 1916, was issued by the California Superior Court March 26.

Sir John Brenan, Consul-General for Great Britain, Sir John Hope Simpson, chairman of the National Flood Relief Commission in China and Sir Joseph Kemp, retiring chief justice of the Supreme Court, Hongkong, departed from Shanghai for Vancouver during the week.

Li Yu-ping, a representative of the Chinese Overseas in the United States, arrived in Nanking from San Francisco last week to report to the Government that eighty Chinese aviators in the States are ready to come back to China for service, with twelve airplanes which they have bought.

Large quantities of flour and rice are being shipped to Dairen from Shanghai, some of it on Chinese steamers. The purchasers are stated to be Japanese. There is a general shortage of wheat and flour in Manchuria and large importations are being made from several foreign countries, including Japan.

Dr. H. H. Love, Agricultural Adviser to the Ministry of Industries, who has his headquarters in the University of Nanking, recently spent three weeks in Canton conferring with the provincial officials and the authorities of Sun Yat Sen and Lingnan Universities relative to the development of an extensive program of rice improvement in South China.

The members of the International Business and Professional Women's Association of Shanghai and their friends attended the annual banquet of the organization in the hall of the American Women's Club, March 27. Miss Barbara Rich, chairman for the occasion, Miss Stella Meyers, mistress of ceremonies, and Miss Jean Bloomfield were in charge of the evening's program.

C. P. Holcomb, American attorney at Shanghai, departed for Washington last week and according to report he will interview President Roosevelt with the object of obtaining the appointment as U. S. District Attorney at Shanghai. Mr. Holcomb served as District Attorney, through the administrations of Presidents Wilson and Harding. Dr. George Sellett, present District Attorney, has announced his intention of retiring shortly and engaging in the practice of law.

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Mrs. Sun Yat-sen during the week issued a statement protesting against erroneous statements in the Chinese newspapers regarding her recent movements.

The Standard Oil Company in common with other American oil companies during the week reduced the price of gasoline in Shanghai from $1.10 to $1.05 per gallon.

The Shanghai bus company lost a quarter of a million taels during the year 1932, it was announced at the annual meeting held March 28. Part of the loss is attributed to the Japanese "invasion" early in the year.

The *Review* is in receipt of a letter from E. M. Libity, whose address is 3805 Avenue R, Brooklyn, N. Y., who desires information regarding the whereabouts of Z. Z. Ing, whose last known address was Drum Tower, Nanking.

The new Amerian cruiser *Houston* is due in Shanghai April 1 to be followed by a number of destroyers during the next week or two. The *Houston* will stay in Shanghai for about two months before proceeding to Tsingtao or some other northern port.

The consolidated statement of income and surplus of the Radio Corporation of America for the year 1932 shows a net income of $5,075,901,911.32, but after deduction of interest, depreciation, etc., there was a loss of $1,133,585.65 for the year. The surplus for 1932 was $9,851,184.18 as against $11,327,789.07 for 1931.

Chow Yih-ding, circulation contractor for local Chinese newspapers along the Shanghai-Nanking and Shanghai-Hangchow Railway zones, was murdered with an axe by unknown gangsters, near the Shanghai North Station March 22.

After 44 years service with the Shanghai Municipal Council, E. L. Allen, former Commissioner of Revenue and present advisor on revenue matters, has resigned and will sail for an extended holiday in the latter part of May.

Morris Harris, correspondent for the *Associated Press*, Victor Keen, correspondent for the N. Y. *Herald-Tribune* and Reginald Sweetland, correspondent for the Chicago *Daily News*, have returned to Shanghai from several weeks on the Chinese front in the north.

The death occurred in Tokyo, March 29 of John Penlington, the correspondent for the London *Daily Telegraph*. He had been nearly 30 years in the Far East, and had once owned and edited the now defunct journal *Far East*.

Among the passengers on the s.s. *Resolute* which docked at Shanghai this week on a round-the-world tour was Robert McCormick Ayer, member of the well-known McCormick family of Chicago which controls the *Chicago Tribune*, International Harvester Works and other interests. Mr. Ayer is a recent graduate of Harvard and upon his return to Chicago plans to enter business.

Liao Cheng-chih, son of the late Kuomintang leader, Liao Chung-kai, was arrested on communist charges on Tuesday, March 28, following a raid conducted by the Settlement Police at No. 8 Wufu alleyway off Shensi Road together with two other alleged communists Lo Tuan-hsien and Yu Wen-hwa. Mrs. Liao Chung-kai, upon learning of her son's arrest, is reported to have telegraphed to the Government and party leaders in Nanking, urging negotiations for her son's release. Mrs. Liao is now a member of the Central Executive Committee of the Kuomintang and is one of the best known women leaders in China.

Soviet-Japanese Issues in Manchuria

BY I. A. DOLLIN

The conditions resulting from the actions of the Japanese in Manchuria and also to some extent the recent Sino-Soviet rapprochement may be looked upon as engendering complications between the U.S.S.R. and Japan. There are also a number of petty wrongs on either side, which when accumulated may constitute circumstances out of which conflicts arise. By both the countries Manchuria is counted as a capacious market for their respective manufactured goods, for which they vie with each other, and each side is exceedingly jealous of the other's encroachments in one or other line on the market. The goods imported from either of the countries are very cheap indeed. The Soviets and the Japanese undersell the merchants of any other nation trading in Manchuria; and they also try to undersell each other. The Japanese are said to import their goods free of any duty. And the duty paid by the Soviets is said to be low. The existing conditions will hardly last for a long time. It is very likely that as soon as the Japanese get a stronger foothold in Manchuria, the Hsinking Government will try to impose (much to vexation of the Soviets) a higher duty on Soviet goods imported into Manchuria.

Japanese Road Transportatton

The Japanese are carrying on a very extensive road constuction program with a view to deflecting the direction of cargoes from the C.E.R., the Ussuri railway, and the Russian Far Eastern ports to the Japanese South Manchurian Railway and Japanese ports. This winter a big Japanese Forwarding Agency organized on a large scale transportation of all kinds of cargoes by animal-drawn carts and motor vehicles between Changchun and Harbin on the road parallel to the southern branch of the C.E.R., thus depriving the latter railway of its cargo and causing a considerable loss. In the winter time, when streams are frozen, in the previous years carting of goods by that road was a usual occurrence; it was done by Chinese animal cart drivers and was carried on on an insignificant scale. Measures were usually taken by the Adminstration of the Railway, lowering tariffs for the season to check the development of the animal transportation. This year it was not expected by the Administration of the Railway that overland transportation would take place, the Chinese drivers having lost their animals through the warfare in Manchuria. But the Japanese concern appeared, to the great displeasure of the Soviets, on the scene, and before the Railway could take any measures the overwhelming majority of the season's cargo had been transported.

In retaliation to the Japanese for their transportation schemes the Soviets are said to run the eastern line of the C.E.R. on a lower tariff so as to tempt shippers to have their goods despatched via the Soviet port of Eggersheld rather than to Japanese Dairen. Beside this the Soviet Railways are trying to arrange for transporting cargoes, which otherwise would be shipped by sea through Dairen, from Manchuria via Siberia to places in Western Europe. A couple of weeks ago a cargo of tea was shipped from Harbin that way, with results most satisfactory to the shipper, the cargo reaching Riga in 12 days after leaving Harbin.

Soviets and Japanese Suspicious of Each Other

As for the state of minds of the Soviets and the Japanese, they at the present time regard each other with suspicion. The Soviets suspect the Japanese of devising plans for curtailing Soviet rights in Manchuria or even squeezing them in some way or other from the C.E.R., and seizing the Russian Far Eastern province with their rich fisheries, timber and mineral wealth, that have long been much coveted by the Japanese. The Soviets regard with apprehenshion the occupation of Manchuria by Japan and watch with anxiety her agressive actions, wondering when and where they will stop; and, fearing a sudden attack, continue their fortification work in Maritime, Amur, and Baikal provinces. Japan suspects the Soviets of rendering a secret help to, or even creating of, anti-Japanese forces in Manchuria, and China, and is also inclined to think that the Soviets have had much to do with the spreading of the Communist doctrines, in Japan, resulting in a secret movement in which prominent Japanese scholars were recently found to have been involved. These and a dozen of other issues constitute intricacies and create a sentiment on either side out which a conflict may eventually arise.

Although the real nature of relations between the two countries are as described above, although they bear each other ill-will, on the surface the relations are smooth enough to be called friendly. For, with the situation prevailing in these countries neither of them thinks it advantageous to enter into an open conflict with the other. Japan is in trouble head over heels with her Manchurian and Chinese problems. The Soviets are entirely absorbed in solving their exceedingly difficult tasks. Representatives in Manchuria of Japan and the U. S. S. R. confer often, and minor questions are settled to the satisfaction of one, and perhaps to the dissatisfaction of the other, side.

Harbin, March 1, 1933.

German Imperial and Nazi Flags Fly in Shanghai

In the course of the unfurling of the Imperial and Nazi flays at the German Consulate General in Shanghai March 16, the acting German Consul, R. C. W. Behrend said:—"The colors black-white-red as the symbol of the United German Reich are again hoisted today on the grounds of the German Consulate-General which renders protection, help and assistance to every German without exception, the colors black-white-red under which the German Reich was founded and became great, strong and mighty, the colors black-white-red under which millions of our fathers, husbands, brothers, sons and friends fought in a heroic struggle lasting for years against great odds until, never vanquished on the battle-fields, they had to lay down their arms, the colors black-white-red under which millions of our German kinsmen died as heroes for their Fatherland and for their beloved home country."

America to Meet Japanese and German Armament Increase

A recent *Reuter* message from Washington stated that the Far Eastern and German situations figured extensively in the conference held at Washington March 10 between President Roosevelt, C. Hull, Secretary of State, and Norman Davis, American delegate to the Disarmament Conference last year. United States officials feel that the success or failure of world disarmament is for the present approaching a crisis. They are alarmed at the indications that Germany may re-arm and the prospect of Japan increasing her forces.

It is also understood that the Roosevelt Administration assumes the attitude that if other nations increase their armaments instead of reducing them then it will be necessary for America to do likewise.

Chinese and Japanese Agents Press Down Munition Prices

A recent London message called attention to an amusing occurrence incidental to the buying of war material for the Far East. Purchasing agents for China and Japan, it was stated, met the other day in the reception room of one of the big munitions firms in London; they fell to talking as friends and finally compared the prices they were paying. The result was that they went in to see the munitions makers together, put up a united front and went away with a 40 per cent cut in prices.

Finance Minister Soong Holds Conferences With Local Bankers

T. V. Soong, Minister of Finance, has conferred several times recently with Shanghai bankers and business leaders on questions relating to financing the campaign of resistance against Japan in North China. Those who have been participating in these conferences include Chien Hsin-chih, prominent banker; Wang Hsiao-lai, chairman of the Shanghai Chinese Chamber of Commerce; and Yu Ya-ching, local shipping magnate and member of the Shanghai Municipal Council.

Manchukuo Protests Against Return of Troops from Russia

A protest against the action of the Soviet government in facilitating the return to China of the troops under General Su Ping-wen, and others interned in Russia, was lodged last week with the Soviet Consul-General at Harbin by the local representative of the Foreign Ministry at Changchun. The protest "deeply deplores this most unfriendly act in the relations between the Union of Soviet Socialist Republics and Manchukuo, which should always be friendly."

Who's Who in China

K. L. Kwang, consular official; native of Kwangtung; born in Australia, 1897; returned to China when twleve years of age and took up Chinese education in Hongkong, Shanghai and Hangchow; finished his secondary education at a Middle School in Hangchow, 1914; went to the United States in the same year, first studying at Wooster College, Ohio, then transferred to Columbia from which he was graduated in 1917; went to England after America joined the World War and was attached to the Canadian Forces as a Y. M. C. A. secretary; then proceeded to France and joined the British Forces as a Y. M. C. A. secretary with the Chinese Labor Corps; returned to America after the Armistice and studied at Harvard University, graduating in 1921 with degree of M. B. A. (Master of Business Administration); married in the same year and for twelve months toured the world, studying conditions; on return to China in 1922, became acting English editor of the Commercial Press during the absence of Dr. Fong Sec and at the same time served as English secretary to the Chinese General Chamber of Commerce, Shanghai; after about a year with the Commercial Press, became professor of the College of Commerce of the National Southeastern University and also of the Tse Chi University, Shanghai; joined the Ministry of Foreign Affairs of the Nationalist Government, taking charge of its publicity and intelligence office at Shanghai; promoted a section chief in the Ministry 1929; appointed by the Government to accompany the American Journalist party of the Carnegie Foundation in China, 1929; also in the same year served as a member of the delegation appointed by the Government to participate in the rendition of the Weihaiwei; promoted chief of the personnel section of the Ministry of Foreign Affairs, 1930; same year appointed Second Secretary to the China's League of Nations' Office in Geneva, but did not take up the post; appointed Chinese Consul-General in the Philippine Islands, Nov. 1929 which position he now holds, March 1933; address: Chinese Consulate-General, Manila, P. I.

K. L. Kwang. (Kwang Kwan-ling)

鄺 光 林

鄺光林，廣東人，年三十六歲，生於澳洲，十二歲時回國，先後肄業於香港上海及杭州等地，一九一四年畢業於杭州中學，卽赴美留學，於一九一七年畢業於哥倫比亞大學，世界大戰時赴歐，在英軍中任軍中青年會幹事兼中國勞工團祕書，休戰後，復返美入哈佛大學，於一九二一年得商業碩士學位，畢業後卽結婚並環遊各國，一九二二年返國任商務印書館英文部編輯，兼上海市總商會英文祕書，一年後辭去各職，任商學院及持志大學教授，國民政府奠定南京後，任外交部情報司駐滬主任，一九二九年升任外部科長，收回威海衞委員會委員，一九三十年任國際聯盟會中國辦事處二等祕書，但未赴任，現任駐菲列濱中國總領事

Who's Who in China

(Supplement to the Standard Edition)

There will be published shortly a supplement to the standard book, "Who's Who in China," which will contain some 200 biographical sketches of Chinese men and women who have come into prominence since the Fourth Edition (1931) was issued. It also will contain revisions of some of the sketches which appeared in the Fourth Edition.

For example, the Supplement will contain the pictures and sketches of several leaders who have come into prominence as a result of the Sino-Japanese conflict, such as Generals Tsai Ting-kai, Chiang Kwang-nai and Oung Chao-wan of the 19th Route Army, Chang Chih-chung of the 5th Army; Ma Chan-shan, Su Ping-wen and Li Tu of the Manchurian campaign; Sun Chih-yuan of Chahar, Han Fu-chu of Shantung, Yu Hsueh-chung of Hopei, Chu Ching-lan of the Volunteers, etc., etc., etc.

For those who possess a copy of the last, or Fourth Edition, a copy of the Supplement, is indispensable.

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No office, home, school or public library is complete without **Who's Who in China**, containing the pictures and biographical sketches of most of China's leaders in the fields of politics, business, education and the other professions. In addition to a record of their careers, it also contains their latest addresses, matters of vital importance to those who would keep up with events in China and the Far East.

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New Books of Interest in the Far East

Another Discussion of Missionary Methods

The Uncut Nerve of Missions, by Cleland Boyd McAfee. Fleming H. Revell, New York, London and Edinburgh. $.1.50 (U.S.)

Using the physical fact that when a member of the body fails to move, it frequently indicates a cut nerve as the underlying figure of speech, this book attempts to determine whether or not the nerve of missions has been severed or impaired. Decreased giving on the part of the home churches raises the question as to whether missionary interest is on the wane, and if so, why. Has the missionary motive been modified? Are prevailing missionary methods suited to present world conditions? What is the present condition of missionary work in the various countries, and what are the critical needs of the enterprise? These questions, as chapter headings, indicate some of the questions which Dr. McAfee raises and endeavors to answer.

They are similar questions to those raised by the Laymen's Inquiry Commission, whose report entitled "Re-Thinking Missions" we reviewed recently. In fact, they are so similar that one is led to wonder why Dr. Mc.Afee attempted on a small scale a task which was (in the very nature of the case) being so much more adequately handled by a group prepared to spend both time and money unstintedly to do scientifically and thoroughly. Could the argument be advanced that Dr. McAfee. being connected with one of the leading Foreign Mission Boards, could approach the task more sympathetically than any group of laymen, his book might be justified on that ground, But those who have read the report of the Laymen's Inquiry Commission must certainly have been impressed by the Christian spirit, the courtesy and the sympathetic approach to the task of appraising missions of the group, as well as by their painstaking accuracy and their scholarship. It would seem that this book, in what may have been its original form as lectures to the students of the theological seminary with which Dr. McAfee was formerly connected, may have served a useful purpose. The chapters constitute a clear, simple exposition of the motive, methods and needs of foreign missions today. But to publish them at a time when the more adequate, more scientific, more scholarly work of the laymen's appraisal commission was being made available is to raise a question of wisdom which must await the reader's answer. G. T. F.

A Patriot Who Turned Puppet

Porfirio Diaz: Dictator of Mexico, by Carleton Beals; J. B. Lippincott Company, Philadelphia and London.

Many well informed persons might have to think twice today before they could definitely identify Porfirio Diaz, yet for almost half a century he was one of the world's most outstanding rulers and the beau-ideal of those who admire "strong men." From 1867, when he ousted the Emperor Maximilian, agent of the French, from Mexico City, until 1911 when he fled to France amidst a revolutionary tempest, Diaz was the most potent figure in Mexico and the dictator of the country for most of the period,—a record of uncrowned rule that is unique in history.

In Mr. Beals' book the full story of Diaz is told for the first time in 463 thrilling pages with 126 superb illustrations. Mr. Beals is easily the world's most outstanding living authority on Mexico and Central America and he writes well and is careful of his facts with the result that he has produced one of the finest biographies this reviewer has ever read.

Diaz assuredly was a romantic and spectacular figure. Mostly North American Indian, but with some Spanish blood, and illy educated, but inspired by some of the spirit of the French Revolution, he led one of the most fearless patriotic uprisings in history to oust the French from his homeland,—and then became a puppet of American and British capitalism.

"He knew nothing," as Mr. Beals says, "of the machine in terms of human happiness; he knew nothing of Hobson's or Lenin's theories and laws of economic imperialism and capitalist development....The French hosts supporting Maximilian were of flesh and blood; they carried steel bayonets and died from cannon balls. But Porfirio never grasped the meaning of (the later) subjection of Mexico by Emperor Machine, by foreign capital....Diaz had stood proud and firm that fifth of May (1867) when the French were hurled back from Puebla half a century before he died. Beaten later, he had whipped together a new army and retaken the capital of his country. During the darkest hours of defeat he had withstood the temptations of betrayal. Diaz had fought colonialism, but he thrust Mexico back into a new colonialism. He bowed at the feet of Americans and Englishmen strutting across the land with dollars but not with bayonets. He showed them an obsequiousness he had scorned in Mexican 'traitors' who kissed the hand of Maximilian."

In consequence, even by Oriental standards in similar circumstances, the dictatorship of Diaz was characterized by an almost incredible reign of terror to oppress and exploit the Mexican masses, particularly the Indians from whom he sprang. But eventually the inevitable contradictions in a puppet's role resulted in his downfall. There was a revolutionary surge from below that he could not ignore, and yet because of it he was obliged to refuse President Taft's offer of support for renewal of the Magdalena Bay naval leases. At the same time American oil interests were angered at his generous concessions to Lord Cowdray, the British administrator of his private estate.

"But close to Diaz' government," Mr. Beals continues, "were the Guggenheims, the Rockefellers and Aldriches; all hand-in-glove with President Taft. Of little weight. American business knew Diaz' day was done. A new dependable watch-dog had to be found."

And so the patriot who had turned puppet fled to Paris to die, and a new Mexican revolution was on. It eventually found its principal leader in Calles who derived considerable inspiration from the Russian Revolution, and who, like Diaz in his young manhood, fought both the Catholic Church and foreign imperialism, but who later, like Diaz when he was dictator, made a new deal with American capitalism in the person of the late Dwight Morrow. Thus has an old cycle been largely repeated. This story, however, is not in the present book of Mr. Beals, but he is herewith urged to direct his superb skill to its presentation in the near future. W.B.

Ten Years of the Kuomintang

Revolution Versus Reaction, by T. A. Bisson; Foreign Policy Association, N. Y. Price 25-cents (gold).

This pamphlet, one of the regular publications of the American Foreign Policy Association, contains fifteen pages and some thirty columns of interesting historical material dealing with the Chinese Kuomintang Party. To quote from the first paragraph, "The key to the political events in China during the past decade lies in the struggle between opposing economic groups for the control of the Kuomintang. On the outcome of the struggle has rested the choice as to whether the Chinese radicals would be able to utilize the party machinery to construct a 'socialist state' or whether the Chinese conservatives would utilize it to further a 'capitalist development." The pamphlet covers the revolutionary development from 1923 to 1927, including the swing toward Russia, the split in 1926-1927, Nanking regime 1927-1932, political rivalries, and Madame Sun Yat-sen's declarations, July, 1927, Aug. 10, 1929 and Dec. 19, 1931.

A Book of Bewilderment

Keep Going, by Philip Christian. The Davidson Press, printers, Boston, Massachusetts.

After twice reading through this book, the reviewer paused to wonder at life and its problems, to think of love and marriage, ponder on graft, the stock market, revolutions, and remember the Boston Common and Concord as they must have been when Emerson was alive. For all these also take their places among the imponderabilia. Many of us accept life et cetera as it comes. Some patients in mental wards maintain perpetual expressions of surprise. The author of Keep Going must have been the victim of a foundation crushing bewilderment to have written his book.

It is a most amazing concoction of "peppy" action and repartee, trite sophistry, absurd improbabilities, and unwarranted conclusions on national institutions. In make-up it rivals the incoherent movie serial of twenty years ago. There is something behind it, but what that something is takes its place among the imponderabilia.

M. V.

A Tale of Dull Lives

Invitation to the Waltz, a novel by Rosamond Lehmann; Henry Holt and Company, New York City.

This is a story of middle class life in an English village with a detailed account of a Victorian maid's preparations for, thrills during, and inquest on her first ball that was graced by nothing less than a "Sir" and a "Lady."

After the dance comes this passage with Olivia, the heroine, talking to her sister Kate:

"'Did you speak to Lady Spencer at all—or to Sir John?'

"'Only to shake hands at the beginning and end.' Kate languidly added: 'She seemed to think we looked all right.'

"'Oh?'

"'At least she said how nice we looked, or something.'

"Well, that was satisfactory. Lady Spencer's was an opinion one set store by."

A novel on such a theme seems a bit too much to this reviewer. A short short story ought to be sufficient. And Miss Lehmann's exquisite writing in dealing with the dull lives of her characters is somewhat misplaced; the slashing style of Dean Swift would have been much more effective. W. B.

Russian Editor Describes Conditions in China

Kitai Kak on Est (Russian), "China As It Is," by L. B. Arnoldov. Shanghai, "Graphik" Press.

The author of this 370-page treatise is the editor of the *Shanghai Zaria*, a Russian daily newspaper in Shanghai. In the course of a busy life editing a live newspaper he has found time to write an exhaustive narrative of conditions in this country, discussing particularly the Kuomintang, Communism and the Sino-Japanese war. Other subjects discussed are the origins of the Chinese race, Chinese women, Dr. Sun Yat-sen, the unequal treaties, and Manchukuo. After going into the Chinese situation at great length the author says that no matter how the conflict with Japan may end, the retreat of the West before the East in China will continue; this withdrawal may be temporarily held off, but to stop it is impossible. The future of China is in her own hands.

Newspaper Directory of China

The second issue of the *Newspaper Directory ofChina* published by Carl Crow, Inc., Shanghai advertising agents, issued last week, gives a list of all newspapers published in China together with their addresses, circulation, size, etc. Compared with the American Newspaper Directory it is a very modest volume, as newspaper and magazine publication is still in its infancy in this country. The growth of pictorial publications is one of the recent developments in Chinese journalism. Kiangsu, the province in which Shanghai is located, is by far ahead of all other areas in the number of newspapers circulated daily.

The Shanghai Dollar Directory

The Shanghai Dollar Directory, issued by M. Talan & Co., just published, strikes a new note—it is in line with the need for retrenchment in expenditure, which day by day becomes more pressing in Shanghai. Here for a dollar the subscriber is furnished a directory in a paper binding which contains all the really essential information that the higher priced directories do. The type is small, but the printing is clear. In addition to the usual classification of firms alphabetically there is a classficiation by class of business.

Chinese Post Office Issues 19th Fiscal Year Report

The Report on the Chinese Post Office for the year ending June 30, 1931, states that the results for the 19th fiscal year cannot be viewed as unsatisfactory considering the general situation and the universal trade depression. The total of mail matter posted during the year amounted to 796 millions, which is over 52 millions more than the figure for the previous fiscal year, an increase of 7.3%. The number of parcels posted declined, but their total value increased.

C. E. R. Issues Valuable Publication

Nos. 2 and 3 of the *Manchuria Monitor* (in Russian) published by the Chinese Eastern Railway contain articles on the Customs situation as between China and Manchuria, the quality of the Manchurian bean harvest last year, operations in the railway during 1932, statistics of weather, etc.

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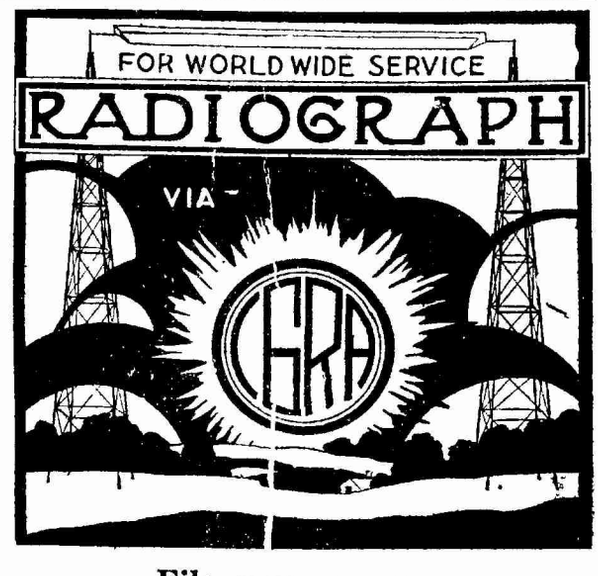

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American Policy Toward the Sino-Japanese Dispute

BY RAYMOND LESLIE BUELL
(*American Foreign Policy Assn. N. Y.*)

(Continued from last week)

The Non-Recognition Doctrine

The final gain attributed to the Hoover-Stimson policy is the doctrine that no situation arising out of violation of the Anti-War Pact will be recognized—a doctrine embodied in the American note of January 7, 1932 and accepted in the Assembly resolution of March 11.[36] In his letter to Senator Borah of February 24 Secretary Stimson declared that, if the non-recognition doctrine were adopted generally, "a caveat will be placed upon such action in violation of the Anti-War Pact which will effectively bar the legality hereafter of any title or right sought to be obtained by pressure or treaty violation, and which, as has been shown by history in the past, will eventually lead to the restoration to China of rights and titles of which she may have been deprived." Commenting on this doctrine in his address of August 8, Secretary Stimson stated: "Moral disapproval, when it becomes the disapproval of the whole world, takes on a significance hitherto unknown in international law. For never has international opinion been so organized and mobilized." Professor Quincy Wright declares that if these principles "were really made effective, international law would be revolutionized. Violence and war would cease to have value in advancing the legal position of states."[37] Apparently it was believed that the non-recognition doctrine would furnish the basis for international security, thus making it possible for the world to disarm.

Some students of international organization, however, are critical of the non-recognition doctrine, especially if it is not supported by material sanctions. They point out that there are few instances in history where the refusal merely to "recognize" a situation for reasons of policy has had the desired effect.[38] The mere iteration of the non-recognition doctrine may, moreover, be actually harmful. If the powers simply refuse to "recognize" Manchoukuo, China will be encouraged to recover it by force, and the Orient will remain indefinitely in turmoil. President Lowell has written that any interpretation of the Anti-War Pact

> ". . . whereby the signatories are under no obligation to prevent war, yet are at liberty to disregard its results, might well create more causes of strife than it would allay . . . . Now the object of international law is to make the rights of nations certain, not to unsettle them; if a wrong has been done to correct it at once, not to leave it as a festering sore for any nation to probe thereafter, or as an excuse for action that would otherwise be without justification."[39]

Sir John Fischer Williams has also written:

> "We shall do nothing—except administer a little opium to our mental and moral vigour—by stating that war and conquest, while we allow them to take place, produce results which are invalid in law. For this is merely in the name of morality to unsettle the foundations of international society and to increase the perpetuation of that anarchy out of which the human race now seeks to struggle."[40]

Mr. Frank H. Simonds declares:

> "Instinct in this Hoover policy was the double purpose to interfere everywhere and to act nowhere; to voice the outraged conscience of mankind on each appropriate occasion, but under no circumstances to bring to the victims of aggression other aid and comfort than words alone could supply . . . . Hoover had assumed moral responsibilities for all international frontiers "by doctrine of recognition."[41]

Finally, it is contended that the non-recognition doctrine destroys confidence in the preventive value of peace machinery, since an agreement not to "recognize" the fruits of aggression assumes that peace machinery is powerless to prevent aggression from taking place.[42] If peace machinery were effective, there would be no occasion for the invocation of the non-recognition doctrine.

Even if one admits the force of these arguments against the non-recognition doctrine, it is difficult to accept the alternative that the League members and the United States should proceed to "recognize" Manchoukuo. It is argued that such recognition would automatically terminate international efforts to induce Japan and China to accept the recommendations of the Lytton report, and would be an admission of the ineffectiveness of peace machinery. It is therefore contended that the non-recognition doctrine is of great value as a provisional measure since, by keeping the issue open, it enables the League and the United States to make a further effort at settlement, and to perfect international organization. Only when such organization is perfected will the non-recognition doctrine lose its significance.

In contrast to these alleged gains, two major criticisms are made against the recent peace policy of the United States: (1) it is declared that there is no fundamental difference between the action of the United States in the Caribbean, and Japan's action in Manchuria;[42] (2) it is stated that relations between the United States and Japan have become needlessly strained almost to the breaking point.

The Caribbean and Manchuria

Japan justifies its recent acts in Manchuria on the ground that they were necessary for the protection of Japanese lives and property, and insists on being the sole judge of whether its acts have been confined to this purpose. The United States has defended the principle of intervetnion in the Caribbean on similar grounds and has consistently refused to arbitrate any important question arising in this area.[44] Moreover, by establishing a military occupation in Haiti and Santo Domingo during the World War and by intervening in Nicaragua in 1926-1927, the United States admittedly went beyond what was necessary directly to protect American lives and property. Owing to the extent of Chinese resistance, the Japanese activities in Manchuria may have been conducted on a larger scale than past activities of the United States in the Caribbean; but it is difficult to see how this circumstance in itself alters the legal nature of Japan's acts.

Defenders of American policy assert that the interventions of the United States occurred before the conclusion of the Anti-War Pact, the purpose of which was to impose new obligations which Japan has failed to observe. It does not necessarily follow, however, that

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36. The non-recognition doctrine did not originate with the Hoover administration. The United States, in its note of May 11, 1915, laid down the same doctrine concerning the Twenty-one Demands made by Japan on China (*Foreign Relations, 1915*, p. 146). The first Pan American Conference of 1889 passed a resolution declaring that cessions of territory under threat of war are void if an arbitration treaty exists at the time. (Moore, *Digest of International Law*, Vol. VII, p. 316.)

In 1921 the Brazil delegate to the League Assembly proposed an amendment to the Covenant which amounted to a non-recognition doctrine. League of Nations, *Record of the Second Assembly*, Meetings of the Committees, p. 400. A similar proposal was made by the representative of Finland at the 1928 Assembly, *Records of the Ninth Ordinary Session of the Assembly*, Special Supplement No. 64, p. 75; and by the representative of Peru, in the 1929 Assembly, *Records of the Tenth Ordinary Session of the Assembly*, Special Supplement No. 75, p. 168.

37. "The Stimson Note of January 7, 1932," *The American Journal of International Law*, April 1932 p. 348.

38. Cf. the cases cited in R. L. Buell and John Dewey, *Are Sanctions Necessary to International Organization?* F. P. A. Pamphlet No. 82-83, p. 13. In the declaration of November 13, 1820 at Troppau, Austria, Russia and Prussia "undertook to refuse their recognition to changes consumated by illegal means." A. Debidour, *Histoire Diplomatique de l'Europe*. Vol. I, p. 152. The Troppau declaration did not impede revolutions in Europe, nor hinder the establishment of republics in Latin America. Cf. also Lord Landsdowne, dispatch of March 12, 1901 relative to China, *British Documents on the Origins of the War, 1898-1914* (London, H. M. Stationery Office, 1932), Vol. II, p. 27.

39. "Manchuria and the League," *Foreign Affairs*, April 1932.

40. Sir John Fischer Williams, *Chapters on Current International Law and the League of Nations* (London, Longmans, Green, 1929), p. 475.

41. Frank H. Simonds, *Can America Stay at Home?* (New York, Harper, 1932), p. 319.

42. Observation of the Irish Government upon the question of amending the Covenant in order to bring it into harmony with the Pact of Paris, League of Nations, *Official Journal*, May 1930, p. 379.

43. K. K. Kawakami, "America Teaches, Japan Learns," *Atlantic Monthly*, June 1932.

44. At the Pan-American Conference of 1928, Mr. Charles Evans Hughes, head of the American delegation, declared: "What are we to do when government breaks down and American citizens are in danger of their lives? Are we to stand by and see them killed because a government in circumstances which it cannot control and for which it may not be responsible can no longer afford reasonable protection? . . . Now it is the principle of international law that in such a case a government is fully justified in taking action—I would call it interposition of a temporary character—for the purpose of protecting the lives and property of its nationals." "The Sixth Pan American Conference, Part I," F. P. A., *Information Service*, Vol. IV, No. 4, p. 71. Cf. also Mr. H. L. Stimson, *American Policy in Nicaragua* (New York, Scribner, 1927), p. 115. It is interesting to recall that in 1915, four months after the United States refused to "recognize" the Twenty-one Demands of Japan on China, it forcibly established a military occupation in Haiti which is still in existence, although in attenuated form.

the interventionist acts of the United States before 1928 did not violate international obligations. For example, President Roosevelt intervened and prevented Colombia from suppressing a revolution in Panama in 1903, thereby making possible the establishment of a Panama Republic, despite the fact that the United States was bound by a treaty of 1846 to "guarantee" the rights of sovereignty which Colombia had over the isthmus of Panama—an obligation similar to that which Japan had assumed upon a wider scale under the Nine-Power Treaty and the Anti-War Pact. The United States, moreover, refused to accept the request of Colombia that the question of whether the United States had violated its obligations be arbitrated.[45]

Nor does it necessarily follow that intervention was made illegal by the Anti-War Pact and that therefore the acts of Japan in Manchuria, which have been regarded by the disputants and by the League of Nations as intervention rather than war, are any less legal today than before the Anti-War Pact was concluded. Certainly Secretary Kellogg, Senator Borah and others in 1928 made it clear that in the eyes of the United States the Anti-War Pact would not prevent armed intervention. Moreover, five months after the signature of the Anti-War Pact, the State Department published the Clark memorandum on the Monroe Doctrine which stated that the "arrangements" made by the United States with certain Caribbean countries were an "expression of national policy...which originates in the necessities of security or self-preservation."[46] Japanese publicists inquire whether, if the United States is justified in controlling Cuba, Haiti and Nicaragua on the ground of "self-preservation," Japan is not similarly justified in maintaining control over Manchoukuo.[47] To the Japanese, Manchuria is as "vital" as Panama to the United States. In their opinion the United States has attempted to induce Japan to internationalize its policy in Manchuria, while consistently refusing to internationalize its own policy in the Caribbean.[48]

Pointing out that the Caribbean policy of the United States is in a transitional stage,[49] supporters of the Hoover-Stimson policy assert that the very fact that the State Department protested so loudly against Japanese occupation in Manchuria will constitute an obstacle to future unilateral interventions of the United States in the Caribbean. Fundamentally, however, the question of whether the United States is justified in protesting against Japanese policy in Manchuria depends upon its own willingness to relinquish exclusive control over certain Caribbean countries, and to submit future interventions in this and other areas to an inter-American or international jurisdiction.[50]

Strained Relations Between the United States and Japan

Perhaps the strongest criticism of the Hoover-Stimson policy is that it has unnecessarily strained the relations between the United States and Japan.[51] The fact that the American government took the "initiative" against Japan and that its demands may have been inconsistent with its own Caribbean policy and its relations to the League of Nations made Japan particularly resentful toward the United States.

45. For Mr. Huy's note of January 5, 1904, cf. Moore, *Digest of International Law*, cited, Vol. IV, p. 105.

46. U. S. Department of State, *Memorandum on the Monroe Doctrine*, 1930, xix.

47. After referring to President Roosevelt's intervention in Panama in 1930, a Japanese writer asks if it is "wrong for Japan to learn a lesson from Washington's action, for Japan's case in relation to Panama." Shin-Ichiro Fujita, *Gaika Jiho* (*Trans-Pacific*, September 8, 1932).

48. In a memorandum of November 5, 1931 the United States suggested to Japan that its dispute with China could be settled by "arbitral, conciliatory or judicial means." Nevertheless, the State Department has refused seven or eight times the request of Panama that differences arising out of the 1903 treaty be arbitrated. R. L. Buell, "Panama and the United States," *Foreign Policy Reports*, Vol. VII, No. 23, January 20, 1932, p. 423.

49. This question will be discussed in a subsequent report.

50. In approving the inter-American arbitration treaty of January 1929, the United States Senate on January 19, 1932 made a reservation declaring that the treaty shall not be applicable to disputes arising out of previously negotiated treaties, thereby excluding disputes arising out of the Canal Treaty of 1903 with Panama, the Platt Amendment with Cuba, the Occupation Treaty with Haiti of 1915, the Bryan-Chamorro treaty of 1914, and other similar agreements. For the reservations of the United States and other countries ,cf. *Treaty Information*, Bulletin No. 28, January 1932, p. 2.

51. George Sokolsky writes that "short of a declaration of war," the Hoover-Stimson policy "is the most aggressive and belligerent attitude adopted by one power toward another in recent diplomacy." "The American Monkey Wrench," *The Atlantic Monthly*, December 1932.

(To Be Continued)

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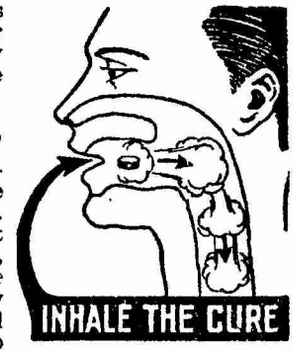

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64-221

Japan's "Statement of Facts" in the Manchurian Dispute

The publication of the Statement of the Japanese Government in virtue of Para. 5 of Art. XV of the Covenant of the League in connection with the Manchurian dispute is commenced with this issue of the Review.

Part I.—Japan's Cooperation With the League

Japan has taken the greatest interest in the development and success of the League from the days of its inception. Her successive governments have extended to it for nearly 14 years their hearty cooperation and her statesmen have devoted their best efforts to the extension of its influence and enhancement of its prestige. Japan takes pride in recalling the active participation of her representatives in the work of the League. As an original and permanent member of the Council she has had many opportunities and of these opportunities she has fully availed herself. She regards the League as a most powerful instrument for the good of humanity and she is only anxious in the interest of this great experiment in the establishment of universal peace that the members of the League shall fully appreciate the situation in the Far East and deal with it in a practical way rather than by formulae and principles.

The present dispute was first sought by China to the consideration of the Council of the League of Nations under Article XI of the Covenant in September, 1931. In spite of the fact that Japan in this case was obliged to act solely in self-defence against aggression on the part of China, Japan from the very beginning has spared no effort in explaining to the League the facts and background of the unfortunate incident and at the same time she has constantly and without waiting for the Resolution passed by the Council on September 30 endeavoured as far as possible not to aggravate the situation. Japan has also from time to time communicated to the League all information relative to the development of the situation so that the League might be enabled to understand the actual conditions prevailing in the Far East.

Unfortunately, however, the condition of Manchuria showed no immediate improvement in the matter of peace and order owing to the continued activities of Chang Hsueh-liang, while feelings of the Chinese and the Japanese peoples became further strained with the result that there was no possiblity of withdrawing the Japanese troops within the railway zone under the then existing circumstance. When the Council met again in October, Japan realized the importance of allaying the excited national feelings of the two peoples as the first essential condition of securing the safety of the lives and property of Japanese subjects and of making possible the withdrawal of the Japanese troops. She was convinced that for this purpose it was necessary for the two parties concerned to pave the way for direct negotiations with the object of restoring normal relations between the two countries. Japan took pains to explain this view to the President and certain members of the Council but the proposal to initiate direct negotiations was not accepted.

Moreover, the Council formed a plan to invite a representative of the United States, a non-member state of the League, to participate in its deliberations as an observer. To this proposition Japan raised an objection contending that the participation to the proceedings of the Council by a state, which is not a member of the League, is contrary to its Constitution, but the other members of the Council insisted on regarding the step as a mere matter of procedure and they invited a United States observer to the Council.

Japan remained convinced that this was a matter which concerned the Constitution of the League and that the action of the majority constituted a clear case of violation of the Covenant. It became apparent that if the opinion of her fellow members was that such an important matter of substance could be decided by a majority as a mere matter of procedure she had ratified the Covenant under an error. However, owing to her strong desire to uphold the cause of the League, she continued to participate in the activities of the Council.

The discrepancy between the views of the other members of the League and those entertained by Japan arose from a lack of understanding of the Far Eastern situation on the part of the League. In her desire to assist the League and to maintain its legitimate influence and usefulness, Japan proposed at the Council meeting held in November, 1931, that the League should dispatch a commission of enquiry to China so that its members might be able to understand fully the actual conditions prevailing in that country. This proposition was adopted by the Council in its Resolution of December 10. The Commission of Enquiry, headed by Lord Lytton, reached China in March, 1932, by way of Japan and entered Manchoukuo in April.

Japan rendered every facility to the Commission in order to assist its investigations. Through the establishment of the new state of Manchoukuo, a special difficulty was encountered in the matter of the entrance of the Chinese Assessor into the territory of that state. Japan, therefore, exerted her good offices with Manchoukuo in order to smooth over this difficulty and enabled the Commission to carry out its investigations.

The Report of the Commission of Enquiry was made public on October 1, 1932. On account of the brief period allowed for the investigation of the Commission, much remained to be desired for the Report to claim to present a true picture of the actual condition of China.

Accordingly, Japan on November 10 last handed to the League her observations on the Lytton Report in order to provide it with accurate material for coming to a fair conclusion on the questions involved.

The Lytton Report was the subject of deliberation by the Council from November 21 and by the Assembly from December 6, 1932. The Committee of Nineteen appointed by the Assembly without the concurrence of Japan drafted on December 15 a Resolution and a statement of reasons concerning the procedure to be followed in performing the duty of conciliation which devolved upon that body in accordance with Paragraph 3 of Article XV of the Covenant.

Japan proposed the deletion from the draft Resolution of passages regarding the participation of states which were not members of the League and also the modification of certain points relating to the competence of the proposed committee of conciliation as well as the entire deletion to the last paragraph to the statement of reasons, which declared, in particular, that the maintenance and recognition of the present regime in Manchuria could not be considered as solution.

At the same time, considering that Paragraph 3 of Article 15 represents the final resort provided for in the Covenant for conciliatory solution of a dispute, Japan endeavoured to discover some compromise which would enable her to continue her cooperation with the League. As stated in Part II of the Report, the President of the Committee and the Secretary General were authorized to enter into conversations with both the Japanese and Chinese delegations. The conversations between the Japanese delegation and the Secretary General were carried on from the first part of January, 1933. As a result of these conversations a draft was drawn up and it was referred with the knowledge of the President of the Committee to the Japanese Government for their approval. Subsequently, when amendments of the Japanese Government to this draft were communicated to the Comittee of Nineteen, it was made known to the Japanese delegation that the said draft could not be taken up as a basis of further negotiation. This caused a great surprise to the Japanese Government as they had every reason to believe that the President of the Committee, who, together with the Secretary General, was authorized to conduct negotiations with both delegations, was also fully aware of the conversations and raised no objection to the preparation of the draft.

Though the Committee finally agreed to the deletion from the draft Resolution of passages relating to the participation of non-member states in the work of the proposed Committee of Conciliation but proposed that the Japanese Government accept the rest of the text of the Resolutions and the Statement of Reasons of December 15 and make a reservation in regard to the last paragraph of the Statement of Reasons, to which Japan had taken objection.

The deletion contained in this paragraph would, as is stated elsewhere in the present statement, not only constitute an action ultra vires on the part of the League but prejudice the whole question and imply a direct attack on the policy followed by the Japanese Government with respect to the existence of Manchoukuo.

Furtheremore, such an attitude on the part of the League was in no way in accord with the idea of conciliation advocated by the Committee of Nineteen as well as by the Japanese Government. For these reasons, Japan found it impossible to accept the proposal of the Committee. Upon the refusal of the Japanese delegation to agree to the Committee's proposal in this regard, the latter set to the procedure of drafting a Report under Paragraph 4 of Article XV.

However, the Japanese Government refused to give up the hope for conciliation and in their final effort to achieve this end, they agreed to withdraw the various amendments which they had presented when the text of December 15 was communicated to them and consented to accept as the basis of conciliation the Principles and Conclusions of Chapter IX of the Lytton Report in so far as they were applied in a way to "harmonize with the events which have taken place", which phrase is an almost literal quotation from that Report itself.

Further, they agreed to the maintenance of the last Paragraph of the President's declaration, formerly called the Statement of Reasons, on the condition that its wording be modified in such a way that it would not appear to constitute a prejudgement and an attack directed against the policy of the Japanese Government vis-a-vis Manchoukuo.

The Committee of Nineteen found this final proposal likewise unacceptable. Thus the Committee rejected all the Japanese proposals and came to the conclusion that the conciliation under Paragraph 3 was impossible. The Committee forthwith proceeded with the drafting of a Report under Paragraph 4 of Article XV of the Covenant.

The draft Report thus prepared was submitted to the Assembly on February 21 and in spite of the negative vote on the part of Japan, it was adopted by the Assembly on February 24.

Part II.—Errors in the Report Concerning the Chief Characteristics of the Dispute

The report sets forth in Part III what are termed "the chief characteristics of the dispute." It is most regrettable that this part of the report is substantially based upon the Report of the Commission of Enquiry. As stated in that report "the issues involved in this conflict are not as simple as they are often represented to be. They are on the contrary exceedingly complicated and only an intimate knowledge of all the facts as well as their historical background should entitle anyone to express a definite opinion upon them." It must be remembered that the Commission of Enquiry spent only six weeks in Manchuria and fifteen in China, most of which was passed in Peiping, and their trip covered only a very limited area of China—a few open ports where the real condition of China could not have thoroughly been studied. In these circumstances it was impossible for them to acquire "an intimate knowledge of all the facts as well as their historical background."

Hence the document is not as complete and impartial as it should be. It is quite natural that there should be not a few errors in the report of the Assembly, which was drafted upon the basis of the Lytton Report. These errors might have been avoided if the Committee of Nineteen had taken into due consideration the Observations of the Japanese Government presented to the Council on November 18, 1932. At any rate it must be said that the Lytton Report, admirable and praiseworthy as it is, is not a document which one can look upon as containing all the facts as well as all the historical background upon which alone final judgment should be based. The errors in the report of the Assembly are numerous, let only the most salient be cited:—

1. The report appears to cling in Part III to the fiction that China exists today as a single organised state, to be dealt with on the same footing as any country in Europe or America. The fiction happens to de merely a convenient formula which embodies in a concise form the generous aspirations of the Powers for the recovery of China as a unified and orderly state. Japan has worked hard to act upon that formula during these many years and she is prepared to continue on the same lines in cases where ordinary matters alone are concerned. But where her vital necessities come into play as in Manchuria, she is forced to reconsider that fiction and to ask herself what are the actual facts and who are the actual rulers. States which are members of the League of Nations and have little interests in China can afford to preserve the conventional fiction intact without serious difficulty. But Japan, in a totally different position economically and strategically, is compelled however reluctantly to examine and set a limit to the fiction and to direct her course according to realities.

It is the view of the Japanese Government that the erstwhile Chinese state ceased to rule in Manchuria when "the fall of the United Republic after the death of Yuan Shi-kai in 1916 signalised the breakup of all unity of government in China." (Observations of the Japanese Government, page 15)

As a matter of fact none of the governments, including the Nanking Government, maintains authority over China, save over the limited areas which it actually controls. That is why the Japanese Government in their Observations insist that Manchuria is not naturally and necessarily an integral part of China. It will then be asked, as it has been asked,—Why did Japan invoke the Nanking Government at the outset of the Manchurian Incident?

Why did Japan negotiate with Peking in 1915? Why did she declare Manchuria to be a part of China in 1922? The answer is that Japan clung until the last moment to the fiction of Manchuria being an integral part of China. She has excellent opportunities of departing from it if she had wished, afforded by the chaotic state of the country. She steadily refrained from availing herself of the opportunities. But when chaos came to threaten her whole position in Manchuria, it became necessary for her to take measures to protect her various interests and important rights.

It should be observed at this point that Japan is not setting a precedent for defying the existence of a neighbour state merely because it is weak or disturbed by internal disruption. It is needless to say that so long as the government of a state, which had actually ruled the whole area, maintains its authority in any part of its territory, so long does the state continue to subsist and to remain inviolable. The peculiar circumstances of China do not reside in the fact that its common government is weak or distracted by disruption. They reside in the unique fact that no authority which now exists has ever been a common government of China at all and none, therefore, has title to rule the entire country.

The League of Nations should not forget that fact over-rides from *(sic)* and that a state must possess a single and continuous government.

2. The report in agreeing that the Chinese boycott against Japan, imposed after the September 18 Incident falls within the province of retaliatory measures, sows the seeds of incalculable future trouble for each and every Power interested in China. All the major Powers conduct military operations in China under certain circumstances and maintain armed forces in Chinese territory for that specific purpose. If the adoption by the Powers of any forcible measure for the protection of their rights and interests is on each occasion to be the subject of a retaliatory boycott, the application of force will of necessity be extended without limit.

By their acceptance in the Resolutions of September 30 and of December 10, 1931, China and Japan agreed that they should take the necessary measures to prevent any aggravation of the situation. The Japanese Government desire to call the attention of the League to the fact that it was the conspicuous failure on the part of China to take such proper measures that led to the regrettable Shanghai Incident. It should also be added that in any discussion of the boycott, the fact of anti-foreign education in schools and the "Revolutionary Foreign Policy" (admitted by the Nanking Government) should not be left out of consideration, as these three subjects are inseparably bound together.

3. The report quotes and adopts from the Lytton Report the reference to the possibility of an arbitral settlement of the Sino-Japanese dispute. But arbitration presupposes a normal organised state with a government supreme throughout its territory and capable of enforcing an award. China, as has been stated above, has not for years been in such a state, at any rate, so far as to render it possible to arbitrate with her in vital matters concerning Manchuria. With whom would the arbitration have proceeded? With Chang Hsueh-liang, whom the League does not recognise? Or with the Nanking Government whose authority (as the Report of the Commission of Enquiry showed) he did not obey? Japan, with her vital interests at stake, could not and cannot possibly resort to arbitration in such a matter with such a country as China.

4. The report again quotes and adopts the refusal of the Commission of Enquiry to recognise as measures of self-defence the military operations of the Japanese Army on the night of September 18, although it does not exclude the possibility that the Japanese officers on the spot might have thought they were acting in self-defence. This is simply another case of facile and uncritical acceptance of the opinion of the Commission of Enquiry, utterly ignoring the emphatic contradiction contained in the Observations of the Japanese Government. On what grounds can the League or any other third party pronounce a verdict on the case contrary to the judgment of the Japanese officers on the spot? The right of self-defence is one of those inalienable rights of a state which may be duly exercised in certain specific circumstances, and the question of on what occasion and to what extent that right should be exercised is a matter which can be determined only by the state concerned. In this connection, the Japanese Government, in their Observations, have referred to the reservations made by France and the United States in concluding the Pact of Paris, a reference which the Assembly found it possible to pass over in silence. The report, stating that the operations of the Japanese Army viewed as a whole as they developed through the entire period of the conflict, cannot be regarded as an act of self-defence, fails to take into cognizance the tension which existed, overwhelming forces by which the Japanese were faced, and the utter uncertainty which prevailed as to the probable action of those forces. All above, it fails to take into account the vital rights and interests of Japan in Manchuria, which are not confined to the Leased Territory and the railways, but involve mining and forestry, consular police and consular jurisdiction, residence and trade, throughout the entire region. When these rights and interests are threatened, the measures for their protection may have to be extended throughout Manchuria. But never have the Japanese military operations exceeded the bounds of necessity for self-protection.

In order that it may not be supposed to have been passed over "sub silento," the Japanese Government take this opportunity of explicitly denying the specific conclusions reached in the report, that no question can arise of Chinese responsibility for the development of events since September 18, 1931, and that the use of boycotts by China subsequent to that date falls under the category of reprisals. Even if the theory that the Japanese military action did not constitute lawful self-defence should be accepted, that clearly would not invest the Chinese with an unlimited license to behave as they chose to, and to enter upon a career of unrestricted violence and wrongs. Much more is this the case if as Japan contends, the actions of her troops were urgently called for by the necessities of self-defence. How can reprisals possibly be exercised against a lawful act? The proper reply to acts of self-defence is negotiation and explanation, and not reprisals, which generally lead to war. Had the United States exercised reprisals in the Caroline Case, war with England must have ensued.

Again, it must be noted that the Resolution of September 30 precludes either party from aggravation of the situation; and it would seem strange to hold that this meant that China might take steps which would certainly aggravate it, leaving Japan alone responsible for any untoward development.

(To Be Continued Next Week)

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Don't Let Him Suffer From TEETHING PAINS

If the commencement of the teething period is accompanied by pain take steps to remedy the condition at once. For this is evidence that the child is not going to have an easy time and much more serious symptoms may develop and continue for many weeks.

Teething pains, apart from the resultant worry, anxiety and loss of sleep, seriously undermine the child's general health. The modern remedy for teething troubles, devised by a qualified medical practitioner with special experience of children's ailment, is Baby's Own Tablets.

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64-223

United States Divorces War Debt and Economic Questions

The most recent advices from Washington were that the Roosevelt administration intends to divorce war debt and tariff questions entirely, this meaning that the United States will propose at the forthcoming Economic Conference an all-round reduction of tariffs so as to facilitate international trade. The attitude of the Administration on future payments of war debts either by France or any other country has not yet been definitely formulated. Frequent discussions are taking place between State Secretary Hull and British Ambassador Lindsay at Washington.

The indications during the week were that the United States would go on a gold bullion basis with all gold coins and gold certificates definitely withdrawn from circulation. The silver interests continue to press for action either in one form or another that will raise the price of silver in relation to gold.

President Roosevelt last week signed a bill permitting about 10,000 state banks and trust companies outside the Federal Reserve System to borrow directly from Federal Reserve banks on the same conditions as govern borrowings by member banks.

A recent Washington telegram stated that the United States Government shortly intends to secure the merging of all American railways into six or seven regional groups.

The U. S. Government will be authorized to purchase 500,000 ounces of domestic silver, according to a compromise silver bill about to be introduced in Congress by Senator Adams from Colorado, a recent Washington telegram stated.

Chicago Financier Commits Suicide

Raymond Stevens, head of one of Chicago's largest department stores, and principal owner of the Stevens Hotel in Chicago, the largest in the world, committed suicide in Chicago, March 23. The recent financial crash made the hotel a losing venture.

Charles E. Mitchell, former banker, arraigned at New York March 24 in the United States District Court on a charge of making false income tax returns, pleaded not guilty and was released on bail.

Famine Conditions Become Worse in Shensi

Famine conditions in Shensi province are growing more serious, according to reports which recently reached the Peiping office of the Famine Relief Commission. The worst affected district is between Sian and Lanchow, where the situation is reported to be heading for a famine crisis worse than has existed in the past 10 years. The towns affected in the area between Sian and Lanchow are Lintung, Weinan, Kaoling, Sanyuan, Fufeng, Wukung, Chishan, Fenghsiang, Mihsien, Hsingping, Chowchih, Pucheng, Tali, Fuping, Hoyang and Hancheng.

The Ministry of Railways has endorsed the suggestion of the Shensi provincial government for the employment of famine refugees to build the Wainan-Sian section of the Lunghai Railway. Recent press despatches reported that Shensi is undergoing great distress owing to a serious drought, although later rainfall has improved the prospects.

President Roosevelt Studies Russian Recognition Question

A recent Washington telegram stated that President Roosevelt had completed his study of the Russian recognition question and would probably make his recommendations in a special message as soon as the Farm Relief and Unemployment bills have been acted upon.

Senator Pittman opposes recognition unless Russia first pays her debts.

British Minister to Remain at Peiping for the Present

The question of the best means of maintaining contact between Sir Miles Lampson, the British Minister to China, and the Chinese government, was mentioned in the House of Commons March 22. Sir John Simon, in reply to a suggestion that the British Minister should take up permanent residence in Nanking, said he did not see sufficient ground at present to alter the existing arrangements.

S. M. C. Releases Annual Report for 1932

The Annual Report of the Shanghai Municipal Council for 1932, released last Monday, March 23, consists of 48 pages, of which 38 pages are devoted to the Japanese Armed Invasion of Shanghai under the inoffensive heading "Sino-Japanese Conflict."

The Report summarises the beginning of the Conflict in several introductory paragraphs and relegates the rest of the story to be told by the official documents passed between the Council and Mayor Wu Te-chen of Greater Shanghai Municipality and K. Murai, Japanese Consul-General at Shanghai. During the hostilities in Shanghai, it may be recalled that both the Chinese Authorities and Chinese residents in the Settlement had on repeated occasions protested to the Council for assigning Hongkew to the Japanese for defence and permittingthe Japanese troops to commit murders on Chinese inhabitants in that district and use the Settlement as base of offensive operations against the Chinese garrison force inChapei. But, according to the Report, the Council wasnot responsible for all these things and one of the documents cordially informed Mayor Wu to the effect that "The Japanese Government and *not* the Muncipal Council is responsible for the acts of Japanese armed forces in theSettlement." However, the Council officially apologized to the Japanese for the Hongkew Bombing Affair and expressed "its profound horror at the outrage and its deepest sorrow at the death of Dr. Kawabata and the severe injuries sustained by the distinguished victims for the tragic occurence."

The other items in the Report include: the Regulation of Industrial Conditions, the Report of the Hon. Richard Feetham, the Shanghai Waterworks, the Power Company, the Telephone Company, the Public Utilities Companies, Transport Services, etc.

Japan Does Business on Barter and Credit Basis

An agreement recently made between an association of Japanese importers in Tokyo and the Soviet Commercial Mission stipulates that credits for metals exported to Russia are to be extended to nine months, that for foodstuffs and fishing nets to 12 months, that for ropes and twines to 15 months, that for steamers to 18, that for electric apparatus and other machinery also to 18, and that for railway materials to 20 months.

The Japanese Zosen Rengokai (Shipbuilders Association) is negotiating through the Tokyo Foreign Office with Brazilian agents for the possible supply of 30 destroyers and transport ships to be delivered within 12 years, payment being on a barter basis.

Shanghai Bus Order Looked Suspicious to Japanese Workers

An order for buses for the British bus company in Shanghai now being executed at the Osaka shops of the General Motors was threatened to remain unfulfilled for a time owing to the fact that the Japanese workers had conceived the idea that the buses were for "war" purposes. This is in line with the general practice in Japan at present, for every order from China is looked upon with suspicion. The gendarmerie induced the workers to continue operations on the Shanghai order, pointing out that the buses in question have no connection with the War.

Britain Says Uniform Action on Arms Embargo Impossible

Captain Anthony Eden, Under-Secretary of State for Foreign Affairs in the House of Commons March 23 said that international action on an embargo against arms shipments was impossible to secure in a short space of time. Great Britain's experience in the past few weeks had shown, he said, that, if effective action of that kind were to be taken in the future, the machinery for the purpose must be established before it was needed.

America Launches a Pocket Cruiser

The launching ceremony of the new American cruiser *San Francisco* took place at San Pablo Bay March 19. The new battleship is built in accordance with the provisions of the Washington treaty and will displace 10,000 tons. The cruiser will be fitted with all the latest equipment and corresponds to the famous German pocket cruiser *Deutschland.*

Japanese Diet Passes Budget and Adjourns

The 64th Japanes Diet, which was convened on December 24, adjourned March 25 after approving practically all Government bills, including the Budget. The closing ceremony was held in the House of Peers the following day while members of the Diet were entertained to a luncheon by the Emperor March 27.

The Upper House on March 24 adopted a resolution designed to stimulate the Saito government to carry out its present policies. The resolution covered foreign diplomacy and the question of the control of national thought.

A recent Tokyo telegram stated that the deficit in the Japanese Treasury amounts to 1,800,000,000 yen, of which 1,000,000,000 yen are to be covered by ordinary bonds and the remainder by special bonds, by what is called "Red Ink" Bonds. The expenses required for Army reform and those caused by the Manchurian Incident amount to almost a half of the total amount.

S. M. R. Hopes to Spend Yen 100,000,000

The new financial program of the South Manchuria Railway, as outlined by the Minister of Overseas Affairs, shows that the new railways which it will build include the La-Pin line, the Hai-ke line, the Tuntu line and also a railway between Hsiungchi and Rashin, Korea. The Rashin port will also be reconstructed during the current year, and the whole project will involve the expenditure of Yen 100,000,000. The Rashin port scheme alone will cost Yen 26,100,000 and it will take two years and a half for the completion of the Hsiungchi-Rashin Railway.

The necessary funds (it is hoped) will be raised by means of an increase of capital and a further issue of debentures. An article in the *Japan Chronicle* intimates that the S. M. R. may have considerable difficulty in raising the money.

Dr. John C. H. Wu Completes Report on Shanghai

The report on the status of the International Settlement of Shanghai, drafted by Dr. John C. H. Wu, legal advisor of the Shanghai Municipal Council and member of the Legislative Yuan, was recently completed.

The report consists of five volumes, all of which have been submitted to Stirling Fessenden, secretary-general, and other members of the Municipal Council. The report, drafted in English, will be translated into Chinese.

Dr. Wu's report outlines the Chinese point of view on the legal status of lhe International Settlement of Shanghai.

Japanese "War" Casualties

The War Office in Tokyo on March 27 announced that the deaths among Japanese troops due to the Shanghai and Manchurian "incidents" total 1.698.

950 soldiers were killed and 12 died from illness in the Manchurian "incident" while 760 were killed and 30 died of illness in the Shanghai "incident."

The above figures do not included the *Naval* losses at Shanghai, and if the Japanese war Office figures are to be relied on, it would appear that the Shanghai operations cost the Japanese more loss of life than the whole Manchurian Campaign.

The Y.M.C.A. as a Bond of Union in China

S. C. Leung, acting general-secretary of the National Committee of the Y.M.C.A. in China in a recent interview at Peiping told of the great advance which has been made by the Y.M.C.A.'s throughout China. He stated that the Y.M.C.A. was practically the only organization which having branches in most of the important cities is able to act in a united way and to present a united program of religious and social work.

Japanese Goods Still Coming into Shanghai

The Chinese newspapers report that in spite of the boycott movement in Shanghai, Japanese paper, sugar and cotton goods still find a good market here. According to a statement issued by the Japanese Commercial Attache, Japan's export of paper and sugar to China has gradually returned to normalcy while Japanese shipping is also showing signs of rapid recovery. The three passenger steamers on the Yangtsze River service of the N. K. K. Company, which were tied up several months ago, have resumed operation.

In the United States Court for China

In re.
Estate
of
FRANK JAMES MOORE
Deceased.

Cause No.
Special Proceedings No. 188
NOTICE

Pursuant to an Order of said Court notice is hereby given to all presons having claims against the estate of FRANK JAMES MOORE, deceased, to present the same with vouchers to the undersigned on or before 8th April 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

R. R. SMITH
Administrator,
6, Soochow Road, Shanghai.

SHANGHAI, CHINA,
24th March 1933.

In the United States Court for China

In re.
Estate
of
SYLVESTER P. O'CONNOR
Deceased

Cause No. 3521
Special Proceedings No. 814
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Sylvester P. O'Connor, deceased, to present the same with vouchers to the undersigned on or before October 1st, 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY,
Fed. Inc., U.S.A.
29 Nanking Road,
Shanghai, China.

Shanghai, China.
March 27, 1933.

CUSTOMS NOTIFICATION NO. 1288

The public is hereby notified that in accordance with Government instructions combined radio and gramophone sets and all kinds of machinery and apparatus fitted with vacuum tubes, whether assembled or in parts, will in future only be allowed importation if covered by Chiao-t'ung Pu Huchao.

H. O. Tong,
Superintendent of Customs.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 27th March, 1933.

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The National City Bank of New York, Rates of Exchange

Shanghai, March 29, 1933.

Demand selling rate on America:	U.S. $100=Sh. $480.88
Demand buying rate on America:	U.S. $100=Sh. $473.44
Demand selling rate on London:	£1.0.0=Sh. $16.497
Demand buying rate on London:	£1.0.0=Sh. $16.203

Ministry Protests Against Chinese Ships Under Foreign Flags

The practice of Chinese-owned shipping vessels seeking protection under foreign flags is sharply scored by the Ministry of Communication in an instruction to the various Navigation Bureaus.

Hereafter, the sale of Chinese vessels to foreign interests must be reported to the Navigation Bureau at the port of registration and their registration cancelled in accordance with the stipulations under Article 39 of the Shipping Law and Article 56 of the Shipping Registration Law.

In cases where foreign flags are flown on Chinese shipping vessels which have not lost their Chinese registration, the various Navigation Bureaus should conduct investigations and report to the Ministry. Offences of this nature will be liable to the same penalties as those applied to foreign vessels flying the Chinese flag as stipulated under Article 34 of the Shipping Law.

Four Provinces Bank to Help Farmers in Honan, Hupeh, Anhwei and Kiangsi

Regulations governing the establishment of the Four Provinces Farmers' Bank (for Honan, Hupen, Anhwei and Kiangsi) were announced recently by the Commander-in-Chief's Headquarters for the Honan-Hupeh-Anhwei Bandit-suppression Forces. The object of the institution is to assist in the rehabilitation of bandit-infested areas which have been recovered by the government forces in these four provinces and to develop agricultural production. The head office of the bank will be established at Hankow with branches in the chief cities.

Through Traffic Arrangements Are Recommended

Immediate arrangements should be made by the Nanking-Shanghai and Shanghai-Hangchow-Ningpo Railways for through traffic with the connecting highways and waterways, a recent order of the Ministry of Railways to the Administration of the two railways stated. The Ministry specifically mentions the Ningpo section of the Shanghai-Hangchow-Ningpo Railway and the highway which now takes the place of the uncompleted section of that Line between Hangchow and Tsaowo River.

To Improve Tea Growing in China

The Chinese Ministry of Industry is reported to be planning the establishment of a laboratory in Shiuhsui, Kiangsi, entrusted with the work of improving the present way of growing tea in China. Yu Hai-ching, of the Shanghai Bureau for testing commercial commodities, will leave for Kiangsi shortly to make a preliminary survey of a site chosen for the erection of the laboratory.

Mr. Yoshizawa on Way to Visit China

According to a *Rengo* dispatch from Tokyo dated March 28, Kenkichi Yoshizawa, ex-Minister of Foreign Affairs of Japan, left Tokyo by the 9.25 o'clock train that night for China for the announced purpose of conducting an inspection tour. It may be recalled that Mr. Yoshizawa was Japanese Minister to China during the Japanese invasion of Shantung which resulted in the Tsinan Tragedy and served as Japanese Chief Delegate to the League of Nations at the outbreak of the Mukden Affair on Sept. 18, 1931. He was recalled to Japan from his post as Minister to France to be Minister of Foreign Affairs in the Inukai Cabinet, but resigned following the assassination of Premier Inukai. Considerable significance is attached to the visit of Mr. Yoshizawa to China at this time when the rumor is rife that the Japanese are attempting to induce China by both armed pressure and intrigue to enter into direct negotiations with her over Manchuria and Jehol.

Chinese Courts Hold that Land Law Is Unrestricted

The Nanking Supreme Court in the case of the Italian Bank of China, Tientsin branch, against Wong Tso-che, a Chinese merchant, recently ruled that the law governing the registration or acquisition of real estate in China is not restricted by any other laws now in force or by any treaties made with foreign nations. Any dispute in connection with a mortgage on real property that is in the district where the registration law is in force should be brought before a Court and decided according to the said law irrespective of the fact of whether the party involved is a Chinese or a foreigner and of whether the property is located in Chinese territory or a foreign settlement.

Latest New York Stock Exchange Quotations

Market—Firm **Business Done 600,000 Shares**

March 29, 1933

1932-3 High	1932-3 Low	Div.$ per Sh.	STOCKS	Mon. Mar. 27	Tues. Mar. 28
9½	1⅝	—	Adams Express	4¼	4¾
89⅞	42½	*6.00	Allied Chemical & Dye	74¾	77¾
15⅜	4	—	Allis Chalmers	7¾	7¾
73⅞	29⅝	4.00	American Can	55	57
15	2	—	American & Foreign Power	4¾	4⅞
38½	5	—	American & Foreign Power 7% Pfd.	9½	9¾
10	1⅛	—	American Metal Co.	3⅜	Unq.
9¼	1½	—	American & Foreign Power Warr.	Unq.	4⅛
27¼	5⅛	—	American Smelting	15	15½
137⅜	70¼	9.00	American Telephone & Telegraph	90⅜	91⅞
89¾	44	*5.00	American Tobacco "B"	59	60¾
34½	11	1.00	American Waterworks	11¼	11⅝
19⅝	3	—	Anaconda Copper	6¾	7
151¾	28¾	2.00	Auburn Automobiles	33	33½
21⅝	8¾	—	Baltimore & Ohio	10⅛	10⅝
29⅝	7¼	—	Bethlehem Steel	13⅛	13⅝
43⅛	18	1.60	Borden Company	20½	21¾
14¼	3⅝	—	Borg Warner	7¾	8
20⅝	7¼	—	Canadian Pacific Railway	8	8¼
65¾	16¾	—	Case, J. I.	44¼	47⅛
47⅞	19	2.00	Chase National Bank	20⅝	20¾
20¾	4⅞	2.00	Chesapeake Corp.	17¾	18¼
21⅝	5	—	Chrysler	9¼	9⅝
21	4¼	1.00	Columbia Gas & Electric	10⅝	11
5⅛	1½	—	Commonwealth & Southern	1½	1½
1	3/16	—	" " Warr.	¾	¼
68¾	31½	4.00	Consolidated Gas of N. Y.	44¼	44⅞
9⅝	3⅝	—	Continental Oil	5⅝	5⅞
57¾	24¾	3.00	Corn Products	51½	53½
7⅝	1⅛	—	Coty Inc.	2⅜	2½
3¼	⅞	—	Curtiss Wright Company	1⅝	1⅝
18⅝	5	.75	Douglas Aircraft	Unq.	Unq.
57	23	3.00	Drug Incorporated	32	33¼
59¾	22	2.00	Du Pont de Nemours	34⅜	35¾
87⅞	35¼	3.00	Eastman Kodak	55½	56
48	5	6%S	Electric Bond & Share	12½	14
16	2¾	—	Electric Power & Light	4½	4¾
5⅞	1	—	Fox Film "A"	1¾	1¾
26½	8½	.40	General Electric	18½	18½
40½	19⅝	2.00	General Foods	25	25½
24⅞	7⅝	1.00	General Motors	11⅞	12¼
28¾	6⅛	1.00	General Railway Signal	Unq.	Unq.
24¼	10⅝	1.00	Gillette Safety Razor	14⅜	14½
20⅝	8¼	1.20	Gold Dust	14¼	14½
29¾	5½	—	Goodyear Tire & Rubber	13⅞	15
18¾	3⅝	—	International Cement	8	Unq.
1⅞	⅜	—	International Com. Engine	Unq.	Unq.
34½	10⅝	.60	International Harvester	22⅛	23¾
12½	3½	—	International Nickel	8	8¼
15¾	2⅝	—	International Telephone & Telegraph	6	6⅜
33⅝	10	—	Johns Manville	15½	16
19¼	4⅞	—	Kennecott	9½	9½
67¼	34⅛	*4.00	Liggett & Myers, "B"	57½	57¾
37⅜	10	1.00	Loew's: Inc.	10	10⅞
18⅜	9	1.20	Lorillard P. Co. (Com.)	12½	12¾
11⅜	1½	—	Ludlum Steel	Unq.	Unq.
16½	3½	—	Montgomery Ward	13	13⅜
64½	20½	1.00	National City Bank (bid price)	20⅞	21
36⅝	8¾	—	New York Central	19	19⅝
43¼	13¾	8%S	North American Company	17⅞	18½
37	16⅞	2.00	Pacific Gas & Electric	23½	23¾
5¼	1½	—	Packard Motors	1⅞	2
11¼	⅛	—	Paramount—Publix	½	½
28⅜	6½	.50	Pennsylvania Railroad	17⅜	18
4⅜	1	—	Pennroad Corporation	1½	1⅜
8¼	2	—	Phillips Petroleum	5⅞	5⅞
60	28	3.20	Public Service of N. Jersey	36	36⅜
13⅛	2½	—	Radio Corporation	4⅛	4¼
7⅜	1¼	—	Radio-Keith Orpheum	1½	1⅝
40½	26½	3.00	Reynolds Tobacco "B"	29⅞	30⅝
37⅞	9⅞	—	Sears Roebuck	17¾	18⅛
8¾	2¼	—	Shell Union	4½	4⅝
13⅝	2¾	—	Simmons Company	5¼	Unq.
12¼	5¼	.40	Socony-Vacuum Corp.	6¼	6⅜
32⅜	15¾	2.00	Southern California Edison	18½	18⅝
34¼	7⅜	1.20	Standard Gas & Electric	7½	7½
37⅜	19⅞	1.00	Standard Oil Co., of N. Jersey	25¾	26
18¼	9¼	1.00	Texas Corporation	12⅜	12¼
26¾	12	1.00	Texas Gulf Sulphur	18⅛	18½
7¼	2⅛	—	Trans America	4½	4⅝
36⅜	15⅛	1.20	Union Carbide & Carbon	22⅞	23⅛
94½	27⅝	6.00	Union Pacific	71	78¾
34⅜	6½	—	United Aircraft & Trans.	20⅜	21⅜
14	3½	.40	United Corporation	5¾	6
22	9¼	1.20	United Gas Improvement	15	15
10¼	1¾	—	U. S. Rubber	3⅞	3⅝
52⅝	21¼	—	U. S. Steel	27⅞	28⅞
23¾	5¼	—	Vanadium	10	Unq.
4¼	½	—	Warner Bros. Pictures	1¼	1¼
43½	15⅝	—	Westinghouse E. & M.	24⅜	25½
45⅝	22	2.40	Woolworth	28⅞	29½

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